



2015 Transported Semen Breeding Agreement for Latif KA

This agreement, made and entered into this _____ day of _____ 200_____, by and between

Name: _____

Farm Name: _____

Address: _____

Telephone: _____ Cell Phone: _____ Fax: _____ hereinafter called "Breeding Customer" and SONRISA FARMS, LLC, 1138 MAIN ST. NE, LOS LUNAS, NM, hereinafter called "Sonrisa".

Sonrisa Farms, LLC, stands the stallion Latif KA (**Latif KA x Aidahh KA**) with AHA# 642409, DOB: 03/24/2008, hereinafter referred to as the "Stallion". Whereas Breeding Customer has the breeding rights to the following said mare, hereinafter referred to as the "Mare".

Name of Mare (as on registration papers): _____

AHA# _____ DOB: _____ Color: _____

Sire x Dam: _____

Recorded Owner (on registration papers): _____

Please Check one: _____ Own Mare _____ Leasing Mare _____ Purchasing Mare on Contract
If Leasing or Purchasing on contract please indicate you have permission to enter into this breeding contract from:

Name : _____ Phone Number: _____

Address: _____

The parties agree as follows:

I. Breeding: The Breeding Customer hereby requests Sonrisa to collect fresh semen from the aforementioned stallion and deliver said semen to Breeding Customer via a commercial shipper. Breeding Customer accepts all risks of shipment and Sonrisa accepts no responsibility for delays in the shipment of the semen or damages to the semen during shipment. Breeding Customer agrees that semen will be delivered subject to availability of a commercial shipper and the schedule of commercial shippers, as well as the terms and conditions as set forth below:

(A) Designated Veterinarian and/or Breeding Manager. Sonrisa agrees to ship semen to the location designated by the Breeding Customer when said location has access to a licensed veterinarian and/or Breeding Manager, who shall be experienced in and familiar with Artificial Insemination using Cooled Transported Semen. The designated Veterinarian and/or Breeding Manager shall be:

Name: _____ Vet Clinic: _____

Phone: _____ Cell: _____ Fax: _____

Address to receive shipment: _____

Saturday Delivery Available? _____ Yes _____ No Airport: _____

Special Instructions: _____

*Breeding Customer certifies that the Veterinarian and/or Breeding Manager to whom the semen is to be shipped practices equine reproduction as a regular part of his/her practice and is available to perform breeding related procedures including ultrasound which will enhance the Mare's ability to conceive and maintain a pregnancy to term.

- (B) The Breeding Customer agrees to abide by the rules of the Arabian Horse Association in all their requirements for breeding and registering said mare and resulting foal.
- (C) Sonrisa agrees upon full payment for all stud fees due, breeding expenses and shipping costs, and notification of delivery of a live, insurable foal, that Sonrisa will sign and deliver a Transported Semen Certificate to Breeding Customer promptly.
- (D) The Breeding Customer assumes all responsibility for the condition of the Mare including, but not limited to, her reproductive health and breedability and shall bear all risks of infertility, loss or damage to the Mare resulting from any and all breeding procedures.
- (E) **The Breeding Customer understands and certifies that the Mare shall be a full calendar three (3) years old prior to any shipment of semen. Any mare that is less than three (3) years old prior to breeding must obtain written permission from Sonrisa for the service. (embryo transfer donors are excluded from this requirement)**
- (F) The Breeding Customer promises to use the transported semen for only the mare named in this Agreement. Use of said semen for the insemination of any other mare, in its entirety or any portion thereof or the failure of Breeding Customer to make their payments as provided on the attached fee schedule shall automatically terminate all the obligations of Sonrisa specified in this Agreement including, but not limited to, Sonrisa's completion of the Transported Service Certificate.

II. Fees and Expenses:

The Breeding fee Donatello KA is \$2000.00. The Breeding Fee shall be payable as follows: (check one)

_____ Option 1 – The total breeding fee of \$2000.00 is payable upon signing of this contract in the year prior to the first shipment of semen to the mare.

_____ Option 2 – The breeding fee deposit of \$500.00 is payable upon signing this contract.
The remaining fee of \$1500.00 is payable prior to the first shipment of semen.

_____ Option 3 – The breeding fee deposit of \$500.00 is payable upon signing of this contract.
The remaining fee of \$1500.00 is due in 10 monthly payments of \$150.00 each.

_____ Option 4 – Discounted total breeding fee of \$1500.00 if paid in full prior to 03/31/2010 \$500 payable upon signing of this contract. \$1000 due on or before 03/31/2010. If full payment is not made in full prior to 03/31/2010 then the regular breeding fee of \$2000 must be paid.

- (A) Breeding Customer agrees to abide by the payment schedule chosen for the Breeding Fee and the Transported Semen Fee Schedule and to that end agrees to pay Sonrisa all charges, fees and expenses as billed. All fees due must be paid and a credit card on file for future fees prior to shipment of semen. **At any time if Breeding Customer is in arrears for payment of any fees including the financed Breeding Fee and/or Transported Semen Fees then no further shipments of semen will be authorized by Sonrisa.** At such time as Breeding Customer becomes current and in good standing then semen shipment may commence again. All fees paid are non refundable. Except for those charges, fees or expenses for which Sonrisa requests

payment in advance, the charges, fees and expenses due hereunder shall be due and payable within ten days (10) days from the date of any billing or invoice rendered by Sonrisa. Breeding Customer agrees to pay a late charge in the amount of the lesser of 1.5% per month or the greatest charge allowed by law on all sums not paid when due hereunder.

III. Transported Semen:

- (A) The Stallion shall be collected on **MONDAY, TUESDAY, WEDNESDAY, THURSDAY, AND FRIDAY only. SATURDAY counter to counter is available on an "emergency" basis only and is subject to staff availability.**
- (B) Breeding Customer or their designated Breeding Manager shall request collection and transported semen 24 hours prior to shipment of semen. Sonrisa does not guarantee a shipment of semen if a request is not received 24 hours in advance. With a 24 hour advance reservation of semen Sonrisa will allow a final confirmation of request for shipment prior to 9am the day of collection.
- (C) Semen will be delivered based upon follicle size and maturity as well as advance reservation notice. It is in the interest of both the Breeding Customer and Sonrisa that semen be shipped in a proper and timely manner and while Sonrisa warrants that the semen will be fertile under normal shipping conditions, it is possible that shipping delays or mishandling of the equitainer may occur. Sonrisa makes no guarantee of the condition of the semen once the equitainer has left our premises. It is possible due to demand that not all semen requests will be honored. Breeding Customer acknowledges this possibility and is prepared to cycle the mare for a future shipment if so instructed.
- (D) **Breeding Customer acknowledges that all orders for semen are subject to availability during the breeding season which begins on March 1, 2008 and ends on September 1, 2008.** Semen shipment desired after September 1, 2008 will require advance notice and approval and is subject to staff availability. Breeding Customer also acknowledges some stallions may with advance notice to Breeding Customer not always be available on a particular day due to a showing schedule.
- (E) Sonrisa reserves the right to require a Mare that has not settled within three heat cycles to be cultured or biopsied to determine breeding soundness. Sonrisa also reserves the right to discontinue service to any Mare upon detection of Mare carrying an infectious and/or contagious disease, or if any other applicable reason applies. In the event of such service discontinuance, the Breeding Customer is obligated to substitute another Mare to fulfill the terms of this Agreement.
- (F) Breeding Customer, agrees to return Sonrisa shipping container (the Equitainer) back to Sonrisa within 4 business days of Breeding Customer's receipt of container. A \$50 per day late fee will apply to late returning equitainers. If Breeding Customer fails to return the Equitainer in good working order Sonrisa will charge \$300.00 to Breeding Customer's Credit Card on file. Breeding Customer accepts all liability for loss or damage during the Equitainer return to Sonrisa and shipping insurance in the amount of \$300.00 is required.

III. Representations of Breeding Customer: Breeding Customer hereby represents and warrants to Sonrisa that: (a) it has the authority to execute, deliver and perform this Agreement, including without limitation the authority to grant the security interest granted hereby; (b) all consent necessary to the entering by into this Agreement and the performance by it of its obligations hereunder have been obtained; and (c) the execution, delivery and performance by it of this Agreement do not and will not constitute a violation or breach of any agreement, law, judgment, order or decree to which it or the Collateral is subject or to which it is a party, and do not and will not result in the acceleration of any obligation of it under any agreement to which it is a party of by which it is bound.

IV. DISCLAIMER OF WARRANTIES, LIMITATION OF LIABILITY:

- (A) Disclaimer of Warranties: **SONRISA HEREBY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OTHER THAN THOSE WARRANTIES EXPRESSLY SET FORTH IN THIS CONTRACT HEREIN.**
- (B) Limitation of Liability: Breeding Customer hereby agrees that the Sonrisa parties shall not be liable for any special, incidental, or consequential damages arising from the transactions covered by this Agreement, including without limitation any damages arising from the nonperformance of obligations which Breeding Customer may have undertaken to any third party in reliance upon promises and representations made in this Agreement. **IN NO EVENT SHALL THE SONRISA PARTIES LIABILITY FOR ANY ACTION OR CAUSE OF ACTION ARISING UNDER THIS AGREEMENT EXCEED THE AMOUNT OF THE FEES PAID BY THE BREEDING CUSTOMER HEREUNDER.**

V. Rebreeding in Certain Cases: In the event that the Mare fails to give birth to a Live Foal by the Stallion in the following year after the last day on which the Mare was bred to the Stallion, the Breeding Customer may, upon payment to Sonrisa of a Rebreeding Fee of \$300.00, rebreed the mare, or a substitute mare approved by Sonrisa. All such rebreeding and all aspects thereof, including without limitation, care of and liability for the Mare or the substitute mares, shall be subject to the same terms and conditions as applied to the Mare during the Breeding Season as set forth herein. Notwithstanding the foregoing, the Breeding Customer shall have no right to a rebreeding: (a) for any breeding season except as set forth above; (b) if the Mare's inoculations against equine influenza

and rhinopneumonitis are not kept current by the Breeding Customer at all times; (c) if the Breeding Customer has not rebred the Mare, or a substitute mare, to Sonrisa before September 1 of each breeding season for which it is entitled to a rebreeding hereunder; or (d) if the Mare's failure to give birth to a Live Foal by the stallion was due to the negligence, recklessness or intentional misconduct of the Breeding Customer or its agents. For the purposes hereof, the term "Live Foal" shall mean a foal which is insurable following birth.

VI. **Miscellaneous:** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided however, that Breeding Customer may not assign its rights or delegate its duties hereunder without the prior written consent of Sonrisa. This Agreement may be executed in any number of counterparts; each counterpart constituting an original but all together one and the same instrument and contract. This Agreement shall be governed by and construed in accordance with the laws of Texas. This Agreement and the exhibits referred to herein constitute the entire agreement between the parties and supersede all prior oral and written negotiations and understandings with respect to the subject matter hereof. Except as otherwise provided herein, this Agreement may be amended or modified only in writing signed by both of the parties hereto. Any communication made, in connection with this Agreement shall be made in writing to the address shown in the first paragraph of this Agreement, or to such other address as has been most recently designated in writing by one party or the other. Any notice of communication shall become effective when deposited in the United States mail properly addressed with proper postage for first class mail prepaid. Breeding Customer shall reimburse Sonrisa for all costs, fees, and expenses, including reasonable attorney's fees, incurred by Sonrisa in enforcing its rights under this Agreement, and for all federal, state, and local sales or use tax liabilities, if any, connected with or related to this Agreement or any transaction arising hereunder, excluding however taxes based on the net income of Sonrisa.

VII. **Filly Guarantee.** Should the resulting foal of this breeding agreement be born a colt and Breeding Customer has the colt gelded, Sonrisa Farms agree's to rebreed the mare subject to rebreed fee only until the resulting foal is a filly. Breeding customer must geld the colt prior to breeding colt in any way and prior to the colts second birthday. Proof of gelding must be provided in writing by a licensed Veterinarian and copy of registration certificate must be submitted to Sonrisa Farms and resulting colt listed as a gelding.

BREEDING CUSTOMER AND SONRISA HAVE READ, UNDERSTAND AND ACCEPT ALL TERMS OF THIS CONTRACT INCLUDING ALL PAGES FRONT AND BACK.

Signed this _____ Day of _____, 20____

Breeding Customer

Sonrisa Farms, Mary Ellen Chavez

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