

**ROJO
ARABIANS
BREEDING CONTRACT**

This agreement (the "Agreement") is made by and between the Mare Owner set forth below and Rojo Arabians Ltd., and is made with respect to one or more breeding rights ("Breeding Right") purchased by the Mare Owner for the Mare(s) designated below for the initial breeding season of 2008 ("Initial Breeding Season"). Each Breeding Right entitles the Mare Owner to breed the Mare to produce a single Live Foal (as defined herein).

1. BASIC BREEDING FEE:

The undersigned, Owner ("Mare Owner") of the Mare(s) _____ ("Mare") AHRA # _____ hereby agrees to breed the Mare to the purebred Arabian Stallion **VERSACE** ("Stallion") AHRA # **0525640** standing at Rojo Arabians Ltd. (hereafter "Rojo") or its custodian, and to pay a non-refundable booking/handling fee of \$ **500.00** per breeding Right and a breeding fee of **3,500.00** ("**Breeding Fee**") per Breeding Right for a total service fee of **\$4,000.00** ("**Total Fee**"). **Booking/handling fee and Breeding Fee must be paid in full prior to breeding or shipment of semen.**

2. OTHER SERVICES AND EXPENSES:

2.1 FOR MARE CARE AT ROJO

It is understood that in addition to the Total Fee, the Mare Owner shall pay board expenses at the rate of \$15.00 per day for an open mare and \$25.00 per day for a mare with foal, plus Veterinarian's services and expenses including drugs, medications, and supplies required, farrier services and expenses, and all other services and expenses as Rojo or its custodian deems reasonable and necessary to insure the well-being and successful insemination and conception of the Mare. Rojo or its custodian shall render monthly detailed statements of all such charges and payment therefore shall be made by the Mare Owner promptly and within the terms set forth in Section 9. All such fees must be paid in full before the departure of the Mare and any foal.

2.2 FOR TRANSPORTED (COOLED) SEMEN

Prior to the transportation of Stallion's semen, the Mare Owner shall pay to Rojo a \$250.00 refundable container deposit. The semen collection and transportation fee shall be **\$350.00** for next day priority delivery (Federal Express) and **\$450.00** for same day delivery (Delta Dash). Additional charges of \$15.00 for Saturday delivery shall be paid by the Mare Owner, in addition to the charges set forth above. The shipment container must be returned via Federal Express Overnight service within 72 hours of receipt of the shipment by the Mare Owner or its agent. In the event a container is not returned on time, Rojo may assess a **\$25.00** per day late charge. **All fees for transported semen shall be paid in full prior to shipment. The container deposit will be returned less late fees. If the container is not returned within ten (10) days the deposit is forfeited and an additional deposit of \$250.00 will be required prior to future shipments. Container deposits will be returned upon notification by the Mare Owner that the Mare is confirmed in foal or breeding for the year has ended.**

3. CONDITIONS FOR ACCEPTANCE FOR MARES TO BE BRED AT ROJO

The Mare Owner represents, that the Mare is registered in The Arabian Horse Registry of America and that she is halter broken and her hind shoes shall have been removed or that Mare Owner has received the consent of Rojo or its custodian if not removed. Prior to or at the time of arrival of the Mare, Rojo or its custodian shall be furnished with a copy of the **Mare's Registration Papers, a copy of SCID status showing the mare is clear (VERSACE IS A SCID CARRIER) and a Veterinarian's certificate certifying:**

- 1) That the Mare has been examined prior to her shipment date and is in good health and condition to be bred.
- 2) That the Mare has received a current negative Coggins test.
- 3) That the Mare has been inoculated against tetanus infection (either initial or booster) within the past six (6) months.
- 4) That the Mare has had Flu-Vac, within the past six (6) months.
- 5) That the Mare has had Rhino, within the past six (6) months.

Rojo or its custodian, reserve the right to refuse acceptance of the Mare under this Agreement, if in the event major medical problems arise or develop which, in the opinion of Rojo or its custodian, would preclude the breeding of said Mare, upon notification, this Contract shall terminate and the parties shall be relieved of any further obligation or liability hereunder, except Mare Owner's obligation to remove the Mare from Rojo or its custodian, at Mare Owner's expense, at which time all outstanding bills and Mare Owner's obligations under termination, to substitute another Mare to complete the contract.

4. CONDITIONS FOR ACCEPTANCE FOR MARES TO BE BRED BY TRANSPORTED SEMEN

Mare Owner represents that the Mare is registered with the Arabian Horse Registry of America. Prior to the semen shipment to the Mare Owner or its agent, Rojo or its custodian shall be furnished with a copy of the **Mare's AHRA Papers and a copy of SCID status showing the mare is SCID clear (VERSACE IS A SCID CARRIER) .**

5. RE-BREEDING PRIVILEGE:

Rojo and its custodian anticipate a live foal from this mating. A Live Foal is defined for the purposes of this Agreement as a foal, which stands and nurses for at least 24 hours after delivery. Should (a) the Mare abort or absorb at any time after being confirmed in foal to the Stallion, (b) the Mare's foal be born dead, (c), the Mare fail to conceive, (d) the Mare die, or (e) the resulting foal not be a Live Foal (each a "Return Privilege Event"), the Mare Owner shall receive a return privilege for the same Mare or a substitute Mare. During the Initial Breeding Season no additional fees shall be assessed for the return privilege, although all fees due under Sections 1 and 2 must be fully paid. If the return privilege is utilized during the calendar year after the Initial Breeding Season, the Mare Owner must pay Rojo an additional fee of \$500.00 as well as any fees due under section 2 and or Section 3 above. The return breeding privilege can only be exercised for the two (2) consecutive breeding seasons following the Initial Breeding Season.

The return privilege shall not apply unless, Rojo or its custodian, is notified within ninety-six (96) hours of the occurrence of the Return Privilege Event and is provided with a statement by a licensed Veterinarian within twenty (20) business days

after the occurrence of the Return Privilege Event setting forth the details thereof and certifying that such veterinarian is unaware of any negligent or wrongful act or omission of the Mare Owner, or any other party which directly resulted in the Return Privilege Event.

6. UNAVAILABILITY OF STALLION:

Should the Stallion die or become unfit for breeding and should the Mare not produce a Live Foal as a result of the Breeding Right purchased under this Agreement, the Mare Owner shall at its sole option have the right (a) to breed a mare to a substitute stallion owned or leased by Rojo and which Rojo identifies as available to the Mare Owner (in which event such substitute stallion shall be deemed "Stallion hereunder), or (b) to terminate this Agreement in which event the Breeding Fee shall be refunded in accordance with the provisions of Section 10. No other refunds will be made, except that a refund shall be made of (a) any refundable container deposit subject to the Mare Owner's compliance with the terms of Section 2.2, and (b) any prepaid semen collection and transportation fee for which no collection and shipment was made. In the event the Stallion dies or becomes unfit for service, Rojo will have no obligation to provide the Mare Owner frozen semen under this Agreement.

7. REPRESENTATION:

Rojo hereby represents to the Mare Owner that any semen transported will be from the Stallion and that any other information on the Semen Collection Report shall be accurate. ROJO DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES CONCERNING OR RELATED TO THE TRANSPORTED SEMEN, INCLUDING WITHOUT LIMITATION ALL REPRESENTATIONS AND WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE. The Mare Owner hereby represents that, to the best of its knowledge, the information provided under Sections 3 and 4 is true and correct.

8. WAIVER OF LIABILITY:

Except in the event of gross negligence, recklessness, or willful misconduct by Rojo, its agents, servants or employees (the "Rojo Parties"), the Rojo Parties shall not be liable for any sickness, disease, estray, death or injury which may be suffered by the Mare or any foal of the Mare, or for any other cause of action whatsoever arising out of or in any way connected with the breeding or provision of any service to the Mare. Mare Owner understands that Rojo does not provide any public liability, accidental injury, theft or equine mortality insurance on the Mare, any foal at her side or any foal that may be born to the Mare as a consequence of breeding the Mare to the Stallion, and that all risks connected with breeding or provision of any service to the Mare and such foal shall be born solely by the Mare Owner. MARE OWNER HEREBY AGREES THAT THE ROJO 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 OF MARE OWNER TO ANY THIRD PARTY WHICH OBLIGATIONS MARE OWNER MAY HAVE UNDERTAKEN IN RELIANCE UPON ANY PROMISES AND REPRESENTATIONS MADE BY THE ROJO PARTIES IN THIS AGREEMENT. IN NO EVENT SHALL THE LIABILITY OF THE ROJO PARTIES FOR ANY ACTION OR CAUSE OF ACTION ARISING UNDER THIS AGREEMENT EXCEED THE

AMOUNT OF THE FEES PAID BY MARE OWNER HEREUNDER.

9. PAYMENT OF FEES:

Mare Owner hereby agrees to pay Rojo all applicable charges, fees, services and expenses required under this Agreement. Except for those fees required to be paid in advance as provided above all charges, fees and expenses due from Mare Owner under this Agreement shall be due and payable within **15 days** of any invoice rendered by Rojo. Mare Owner will pay a late charge of the lesser of (a) one and one-half percent per month or (b) the greatest charge allowed by law on all amounts past due. All payments shall be paid in lawful money of the United States at the office of Rojo, Port Orange, Florida. Payment may be made by a credit card then accepted by Rojo, subject to approval of the credit card provider.

10: REFUND OF FEES:

The only fees that are refundable under this agreement are the Breeding Fees. They are only refundable should the stallion die or be unfit to breed for any reason. Breeding Fees are refundable only as follows:

- 1) The Breeding Fee will be fully refunded if no semen has been shipped or the Mare has not been inseminated.
- 2) After an initial shipment of semen or insemination during the Initial Breeding Season and prior to any shipment or insemination in the second breeding season, fifty percent (50%) of the Breeding Fee will be refunded.
- 3) During the second or subsequent breeding season no refund will be made if semen has been shipped or the mare has been inseminated in any of the second or subsequent breeding season

11: TRANSFER OR SALE OF BREEDING:

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns, except as provided herein. The Breeding Right including any return privilege and Gelding Incentive is personal to the Mare Owner and may only be transferred by the Mare Owner with the sale of the above Mare, and then only if (a) the Total Fee has been fully paid (b) all service fees due under Section 2 have been fully paid and (c) the new mare owner executes a new service contract with Rojo and pays 20% of the Breeding Fee, as a transfer fee, within 30 days of the sale of the Mare. **There are no other provisions for the transfer or sale of the Breeding Rights granted under this agreement.**

12: GELDING INCENTIVE (Purebreds Only):

In order to encourage the gelding of purebred colts, Rojo agrees that should the Mare produce a colt from this breeding and should the Mare Owner geld the resulting colt prior to age three (3) years (January 1 of the colt's three year old year), the Mare Owner may rebreed the Mare or a substitute Mare, owned or leased by the holder of the Breeding Right Holder for 50% of the original Breeding Fee and a Booking/Handling Fee of \$500.00 ("Gelding Incentive"). Proof of gelding must be submitted prior to registration of the foal resulting from the exercise of the Gelding Incentive. All fees associated with mare/foal care and transportation of semen, as set forth in Section 2 will apply. This Gelding Incentive only applies to Breeding Rights that have been purchased directly from Rojo and does not apply to Breeding Rights purchased through stallion service and other auctions. The Gelding Incentive only applies to mares that are registered with the AHRA as purebred Arabians.

13: MISCELLANEOUS PROVISIONS:

Mare Owner hereby agrees to indemnify and hold the Rojo Parties harmless from and against any and all claims, demands, causes of action, damage, costs, expenses, losses or liabilities, at law or in equity, of every kind and nature (known or unknown) arising out of or in any manner connected with any injury to any third party person or persons or the property of any third party or persons caused by the Mare, any foal at the Mare's side, or any foal resulting from any breeding of the Mare to the Stallion. Except as provided in Section 8 the Mare Owner hereby releases the Rojo Parties from and against any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, at law or in equity, of every kind and nature know or unknown arising out of or in any manner connected with any injury to Mare or any foal of the Mare while they are in custody of the Rojo Parties.

This Agreement constitutes the entire agreement between the parties and supersedes 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 parties.

Any communication or notice made in connection with this Agreement shall be made in writing only. Any notice or communication shall become effective when deposited in the United States mail or when custody is delivered to a recognized overnight courier (e.g., Federal Express, DHL), delivery fees prepaid and properly addressed to the addresses at the end of the Agreement (or such other address as may have been provided by one party to the other party by notice in accordance with the provisions of this section). All notices delivered by United States mail shall be sent by certified or registered mail, with a return receipt requested. All notices delivered by overnight courier shall be by a means that provides proof of delivery.

Mare Owner shall reimburse Rojo for all federal, state, and local sales or use tax liabilities, if any, assessed on the transactions under this Agreement excluding however any taxes based on the net income of Rojo. In the event of a dispute between the parties concerning this Agreement, the prevailing party, whether or not a suit, action or arbitration is instituted, shall be entitled to recover its reasonable attorney's fees, costs, and disbursements arising from any such dispute including without limitation, at trial, on appeal, in connection with the enforcement of any judgment or in connection with the assertion of its right to payment in any voluntary or involuntary bankruptcy proceedings.

This Agreement may be executed in counterparts. Any unlawful or unenforceable provisions of this agreement shall be severable without affecting the validity of the balance of the agreement.

This Agreement shall be governed by and construed in accordance with the laws of the State of Florida. Any dispute related to this Agreement shall be resolved by binding arbitration through the American Arbitration Association in Volusia County, Florida before a single neutral arbitrator who shall be familiar with the equine industry, and who shall award costs and attorney's fees to the prevailing party.

MARE OWNER HAS READ AND ACCEPTS ALL OF THE TERMS ON EACH PAGE OF THIS AGREEMENT. (PLEASE ATTACH A COPY OF YOUR MARE'S REGISTRATION PAPERS AND SCID STATUS INDICATING SCID CLEAR).

By: _____
Mare Owner Signature

Mare Owner Name (Print)

Date of Signature

Address for Notices

City, State, Zip Code

Mare Owner PHONE NUMBERS (IMPORTANT)

CONTACT INFORMATION FOR SEMEN SHIPMENT IF DIFFERENT

By:
Rojo Arabians, Ltd.
704 Overlook Trail, Port Orange, Florida 32127
Phone ~ 386-760-7696 Fax ~386-788-7697
Email RojoArab@aol.com

Date