

BREEDING AGREEMENT FOR FRESH CHILLED SEMEN

This “**Agreement**” is made effective as of _____ by and between LGF Sport Horses, Inc. (“LGF”) and _____ (“Mare Owner”) for the breeding of the mare described below (the “Mare”) to the Oldenburg stallion Ruffian (the “Stallion”) under the terms and conditions provided herein.

1. PURPOSE. This Agreement defines the terms and conditions under which the Mare Owner agrees to purchase and LGF agrees to provide fresh chilled semen of the Stallion to breed the Stallion to the Mare.

2. THE MARE. The Mare to be bred under this Agreement is the mare identified in the “Breeder Profile” attached hereto and made a part hereof. In no event shall Mare Owner substitute another mare for breeding under this Agreement without prior written consent of LGF.

3. FEES. The following deposit, costs, fees, and expenses are non-refundable, except as specified in Section 9 of this Agreement:

(a) **Deposit.** Mare Owner agrees to pay to LGF a deposit (the “Deposit”) in the amount of \$350.00 to confirm Mare Owner’s reservation of the Stallion, payable immediately upon the signing of this Agreement. The Deposit shall be a credit toward the Stallion Service Fee (defined below).

(b) **Stallion Service Fee.** Mare Owner agrees to pay LGF a stallion service fee (the “Stallion Service Fee”) in the amount of \$1,250.00. The balance owed on the Stallion Service Fee, after giving credit for the Deposit, shall be payable before Mare Owner requests collection and shipment in accordance with Section 4 of this Agreement.

(c) **Cancellation Fee.** Mare Owner agrees to pay LGF a cancellation fee of \$150.00 upon the cancellation of any request for collection and shipment after collection is completed.

(d) **Fees and Expenses of Collection, Shipping and Handling.** Semen provided under this Agreement will be collected by a veterinarian (the “Veterinarian”) of LGF’s choice. As of the date of this Agreement, LGF intends to use the veterinary practice of Equine Reproduction Concepts of Amissville, Virginia, to collect and ship the semen. LGF, however, reserves the right to use other veterinarians to perform those services. Mare Owner agrees to pay the actual cost of collecting, shipping, and handling semen provided under this Agreement. Mare Owner is responsible for making appropriate arrangements with the Veterinarian to secure those services.

(f) **Method of Payment:** All amounts to be paid by Mare Owner under this Agreement shall be paid by cash or check payable to LGF Sport Horses, Inc. Mare Owner agrees to pay to LGF a \$30.00 returned check fee to any check not honored by the bank and subsequent payments shall be made by official bank check or money order.

4. REQUESTING COLLECTION AND SHIPMENT. An initial call should be made by Mare Owner on the first day of the Mare’s heat cycle to confirm that breeding will occur during the cycle. All semen orders **MUST** be received no later than noon EST on the day **BEFORE** the anticipated collection/shipping date. Mare Owner is responsible for making arrangements with Veterinarian for transporting the semen to Mare Owner. Upon receipt of a request from Mare Owner for collection and shipment, LGF will arrange for the Veterinarian to collect the semen as soon as practicable. Mare Owner and LGF agree to coordinate their schedules to expedite the collection and shipment of semen, subject to LGF’s competition schedule or other obligations either party may have. LGF’s obligation to collect and ship semen under this Agreement is contingent on the satisfaction of each of the following conditions:

(a) Mare Owner's payment of all amounts due and payable under this Agreement as of the time of the request for collection and shipment;

(b) Mare Owner's compliance with Section 5 of this Agreement; and

(c) Mare Owner's compliance with the requirements of the Veterinarian, including, but not limited to, making arrangements for payment that are satisfactory to the Veterinarian.

5. CONDITIONS WITH RESPECT TO THE MARE. Mare Owner agrees that satisfaction of the requirements stated in this Section 5 is a precondition of LGF's initial and ongoing performance under this Agreement. If Mare Owner fails to satisfy any such requirement, then LGF may, in its sole discretion, terminate this Agreement without refund of any fees paid or incurred whereupon LGF will have no further obligation under this Agreement.

(a) Mare Owner must provide LGF with the completed Breeder Profile, together with any applicable attachments described therein.

(b) Mare Owner must provide (except for maiden mares or mares to be bred on a foal heat) a negative intrauterine culture and cytology for the Mare.

(c) A licensed veterinarian must administer the semen within twenty-four (24) hours after receipt and must sign and return to LGF the Mare Breeding Passport, a copy of which will be included with each shipment of semen.

(d) Mare Owner agrees to keep the Mare in good physical condition throughout the pregnancy. Specifically, Mare Owner agrees to:

(i) Regular deworming throughout the pregnancy with FDA approved products for pregnant mares;

(ii) Vaccination with FDA approved products for pregnant mares for equine rhinopneumonitis (equine herpes virus type 1) at three (3), five (5), seven (7) and nine (9) months of pregnancy;

(iii) such other care as recommended by the Mare's regular veterinarian;

(iv) The following tests at the stated number of days following insemination:

A. Confirmation of pregnancy by early ultrasound between fourteen (14) and eighteen (18) days;

B. Confirmation of a single embryo by ultrasound between thirty (30) and thirty-five (35) days; and

C. Routine palpation or ultrasound between fifty (50) and sixty (60) days.

6. RETURN OF SERVICE. For as long as Mare Owner complies with the terms and conditions of this Agreement, Mare Owner shall be entitled to have the Mare return to the service of the Stallion throughout the Present Breeding Season (defined in Section 7) or the Second Breeding Season (defined in Section 7), as needed, as follows:

(a) If, by the end of the Present Breeding Season the Mare has not settled (become and remained pregnant as shown by the ultrasound results required pursuant to Section 5(d)(iv)(B)) and Mare Owner provides LGF with a certification signed by a Veterinarian within ten (10) days of the ultrasound that includes the following:

(i) Identification of the Mare;

(ii) Confirmation that the Mare did not settle during the Present Breeding Season; and

(iii) Confirmation that the Mare was kept in good physical and sound breeding condition throughout the Present Breeding Season and that the Mare timely received all care, vaccinations, and deworming as required in Section 5 of this Agreement; *or*

(b) If the Mare settles during the Present Breeding Season but suffers a loss of the pregnancy and provides to LGF, within ten (10) days of examination of loss of pregnancy, a certification signed by a licensed veterinarian that includes the following:

- (i) Identification of the Mare;
- (ii) An explanation for the loss of pregnancy;
- (iii) Confirmation that the Mare was provided reasonable general care and kept in good physical condition throughout the Present Breeding Season and the pregnancy and that the Mare timely received all care, vaccinations, and deworming as required in Section 5 of this Agreement; *or*
- (c) If the Mare gives birth but fails to produce a live foal, defined as a foal which stands and nurses within twenty-four (24) hours after foaling, and Mare Owner verbally notifies LGF within forty-eight (48) hours of the foal's death and provides to LGF, within five (5) days of the verbal notification, a certification signed by a Veterinarian that includes the following:
 - (i) Identification of the Mare;
 - (ii) Verification of death of the foal;
 - (iii) Confirmation of the performance by the Veterinarian of an autopsy or other pertinent examination;
 - (iv) An explanation for the foal's death;
 - (v) The confirmation described in Section 6(b)(iii) above; and
 - (vi) Confirmation that the Mare was properly cared for and monitored during the period of foaling in a manner adequate to reasonably insure detection of and attention to any foaling difficulties.
- (d) LGF's performance pursuant to this Section 6 is also contingent upon Mare Owner's satisfactory compliance with all of the terms and conditions of this Agreement, including but not limited to the requirements of Sections 3 and 5.

7. TERM AND TERMINATION. For purposes of this Agreement, the "Present Breeding Season" begins on or about _____, 2009 and ends on _____, 2009, and the "Second Breeding Season," if any, begins on or about _____, 2010 and ends on or about _____, 2010. The term of this Agreement (the "Term") shall commence on the later of the effective date set forth on page one of this Agreement or the receipt of the Deposit and shall continue until the earliest to occur of: (i) the completion of the Second Breeding Season, if LGF has approved one according to Section 6; (ii) the Mare's giving birth to a live foal sired by the Stallion; (iii) Mare Owner's breach or failure to satisfy any applicable requirement under or Term of this Agreement; (iv) the termination of this Agreement pursuant to Section 9 or any other Section hereof; or (v) the Mare's death or sale by the Mare Owner.

9. DEATH, UNFITNESS OR SALE OF THE STALLION. The fees and deposits paid or incurred under this Agreement are nonrefundable except as provided in this Section 9. If the Stallion should die, be sold by LGF, or otherwise become unfit for service before LGF makes any shipment of semen, then this Agreement shall automatically terminate and LGF shall refund to Mare fees paid hereunder, including the Deposit, within sixty (60) days.

10. DISCLAIMER OF WARRANTIES, LIMITATION OF REMEDIES, AND JURISDICTION. Mare Owner assumes all responsibility for the care, custody, control, and condition of the Mare and bears all risk of loss or damage to the Mare, whether by death, disease, injury, infection or otherwise, during and after the Term. LGF is not responsible for lost, delayed, or damaged semen and makes no express or implied warranties with respect to any semen furnished hereunder except that it is the Stallion's semen. ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE HEREBY EXCLUDED. MARE OWNER'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF LGF'S BREACH OF THIS AGREEMENT SHALL BE THE RETURN OF THE STALLION SERVICE FEE. All claims for consequential damages are hereby excluded. Any suits or

actions arising under this Agreement shall be brought in the appropriate court in Loudoun County, Virginia, which shall be the exclusive venue for the adjudication of such disputes.

11. MISCELLANEOUS.

(a) Incorporation of Forms and Documents. The forms and various types of information and documentation that Mare Owner and Mare Owner's Veterinarian are or may be required to provide to LGF hereunder are incorporated into and made a part of this Agreement by reference. Mare Owner is solely responsible for, and acknowledges LGF's reliance on, all information provided by Mare Owner.

(c) Indemnification. Mare Owner agrees to indemnify, release and hold harmless LGF, its agents, employees and assigns, from any and all claims, demands, damages, actions, suits, attorney's fees and costs, obligations or liabilities of any kind, known or unknown, in any way related to or arising from the Mare or the breeding or insemination of the Mare.

(g) Entire Agreement; Severability; Amendment. This Agreement supersedes all prior communications between the parties, whether oral or written, and constitutes the entire understanding of the parties with respect to the subject matter contained herein. If any term or condition of this Agreement or the application thereof shall be illegal, invalid or unenforceable, all other provisions hereof shall continue in full force and effect as if the illegal, invalid or unenforceable provision were not a part of this Agreement. This Agreement may not be modified except by written mutual consent of the parties.

(h) Notices. Except as otherwise provided in this Agreement or as LGF may otherwise direct, all notices and other communications provided for under this Agreement shall be in writing and shall be sent via U.S. certified mail, return receipt requested, postage prepaid, or via reputable overnight carrier, postage prepaid. Such notices and communications shall be addressed to the parties at their respective addresses set forth below or such other address as either party may by notice designate.

(i) Governing Law. This Agreement shall be governed by the laws of the Commonwealth of Virginia and shall be binding upon the parties hereto and their personal representatives.

(j) No Waiver. LGF's failure to insist on any performance and any waiver of any breach of this Agreement is not to be construed as a waiver of LGF's rights or of Mare Owner's obligations under any provision of this Agreement unless LGF specifically so provides.

(k) Execution in Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall together constitute one and the same instrument as against any party whose signature appears hereon or for any other purpose.

IN WITNESS WHEREOF, intending to be legally bound hereby, the parties have entered into this Agreement as of the date and year first written above.

LGF SPORT HORSES, INC.

By: _____

Address: _____

Phone: _____ Email: _____

MARE OWNER:

Address: _____

Phone: _____ Email: _____