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## 2010 STALLION BREEDING SERVICE AGREEMENT

**1. PARTIES.** This Agreement, effective \_\_\_\_\_, is entered into by and between **Zerlotti Equine Reproduction, Ltd.** (hereinafter "**Zerlotti Equine**") and the following:

(BILL TO) CLIENT NAME (hereinafter "Client")		FARM OR RANCH NAME	
BILLING STREET ADDRESS		FARM OR RANCH STREET ADDRESS	
BILLING CITY, STATE AND ZIP		FARM OR RANCH TELEPHONE	FARM OR RANCH FAX
TELEPHONE (FOR BILLING ADDRESS)	FAX	I HAVE A MEMBERSHIP IN THE FOLLOWING ASSOCIATIONS: <input type="checkbox"/> AHA <input type="checkbox"/> AQHA <input type="checkbox"/> APHA <input type="checkbox"/> NSHA <input type="checkbox"/> OTHER _____	
RESIDENCE TELEPHONE	MOBILE TELEPHONE	MEMBERSHIP NUMBER(S): _____	
E-MAIL ADDRESS(ES): _____			

**2. STALLION INFORMATION.** This Agreement relates to the following Stallion:

NAME OF STALLION (hereinafter "Horse")		SIRE		DAM	
REGISTRATION NO.	DATE FOALED	COLOR	SEX	BREED/REGISTRY	

**3. INSURANCE INFORMATION ON HORSE LISTED IN 2:**

INSURANCE CARRIER (IF APPLICABLE)		INSURANCE AGENT			
AMOUNT INSURED	<input type="checkbox"/> Mortality <input type="checkbox"/> Surgical <input type="checkbox"/> Loss of use	POLICY NO.	EXPIRATION DATE		

**4. OWNERSHIP. (Check all appropriate boxes)**

Client listed in #1:

- Has full title to Horse and registration is in Client's name (Please attach Registration Certificate)
- Is purchasing Horse on installment contract (Please attach Sales Contract and complete 4A)
- Is co-owner of Horse (Please attach Registration Certificate and complete 4A)
- Co-owner's name does NOT appear on registration (Attach signed statement of joint ownership and complete 4A)
- Is leasing Horse (Please attach executed Lease Agreement and complete 4A)

**THIS AGREEMENT IS NON-TRANSFERABLE BY CLIENT. ZERLOTTI EQUINE IS NOT RESPONSIBLE FOR ENFORCING ANY TERMS OF ANY SALES CONTRACTS FOR HORSES FOR WHICH IT IS NOT A PARTY. THIS INCLUDES ANY EMBRYO RIGHTS THAT ARE INCLUDED IN SALES CONTRACTS. ALL SERVICES PROVIDED FOR HORSE WILL BE BILLED TO CLIENT AND PAYMENT WILL BE EXPECTED FROM CLIENT LISTED ABOVE.**

**4A. SELLER/CO-OWNER/LEASOR**

Name	Phone
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**4B. IN CASE OF EMERGENCY**

Name of Person to Contact	Phone
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**5. SERVICE(S).**

**CLIENT UNDERSTANDS AND AGREES THAT ZERLOTTI EQUINE WILL NOT ACCEPT HORSE AND WILL NOT RENDER ANY SERVICES UNLESS AND UNTIL THIS AGREEMENT (INCLUDING THE VACCINATION RECORD ) IS EXECUTED AND DELIVERED BY CLIENT TO ZERLOTTI EQUINE, ALONG WITH A COPY OF HORSE'S REGISTRATION PAPERS AND A CURRENT (WITHIN THE LAST 12 MONTHS) NEGATIVE EQUINE INFECTIOUS ANEMIA (COGGINS) TEST.**

Client hereby contracts with Zerlotti Equine for the following service(s): **(Check all applicable services)**

- |    |                          |   |       |
|----|--------------------------|---|-------|
| 1. | <input type="checkbox"/> | Reproduction Evaluation, per evaluation                                     | \$500 |
| 2. | <input type="checkbox"/> | Collection for On-Site Insemination, per collection                         | \$150 |
| 3. | <input type="checkbox"/> | Collection for Shipment of Cooled Semen, Overnight Service, per collection  | \$350 |
| 4. | <input type="checkbox"/> | Collection for Shipment of Cooled Semen, Counter-to-Counter, per collection | \$450 |
| 5. | <input type="checkbox"/> | Test Freeze, per collection   | \$500 |
| 6. | <input type="checkbox"/> | Collection for Freezing, per collection up to 10 straws                     | \$450 |
|    |                          | Each additional straws over 10  | \$ 50 |
| 7. | <input type="checkbox"/> | Frozen Semen Shipping & Handling, per shipment                              | \$500 |
| 8. | <input type="checkbox"/> | Frozen Semen Storage  |       |
|    |                          | 1 to 50 straws, per month   | \$ 25 |
|    |                          | 51 to 100 straws, per month   | \$ 35 |
|    |                          | More than 100 straws, per canister, per month                               | \$ 50 |

**DESCRIPTION OF SERVICES:**

- 1. REPRODUCTION EVALUATION** of a stallion includes one collection, semen extender tests, and evaluation of semen in order to determine viability for shipment or freezing. The evaluation does not include outside laboratory tests or shipping costs. **The evaluation fee is due in advance and is non-refundable.**
- 2. COLLECTION FOR ON-SITE ARTIFICIAL INSEMINATION** includes collection of stallion for one or more mares to be inseminated on the premises of Zerlotti Equine Reproduction, Ltd. It does not include insemination of the mare.
- 3. COLLECTION FOR SHIPMENT OF COOLED SEMEN, OVERNIGHT PRIORITY SERVICE** includes collection of one or two dose(s) per shipment to be shipped Priority Overnight Service. Zerlotti Equine reserves the right to determine number of doses to be shipped. The fee does not include Equitainer deposit of \$250.00. The Equitainer deposit is required to be held on a credit card and will be refunded upon return of Equitainer to Zerlotti Equine Reproduction, Ltd. in good condition. Return shipment fee of Equitainer is the responsibility of the mare owner. Payment in full is due prior to shipment. COLLECTION DAYS ARE MONDAYS, WEDNESDAYS AND FRIDAYS. NO EXCEPTIONS. TWENTY-FOUR (24) HOUR ADVANCE NOTICE IS REQUIRED TO RESERVE AND VERIFY SHIPMENT FOR 10 A.M. DELIVERY.
- 4. COLLECTION FOR SHIPMENT OF COOLED SEMEN, COUNTER-TO-COUNTER SERVICE** includes collection of one or two dose(s) per shipment to be shipped Counter-to-Counter air service. Zerlotti Equine reserves the right to determine number of doses to be shipped. Zerlotti Equine Reproduction, Ltd. is able to ship only to destinations serviced by American and Southwest Airlines Cargo. Fee does not include courier services to and from airport or any additional airport surcharges. The fee also does not include Equitainer deposit of \$250.00. The Equitainer deposit is required to be held on a credit card and will be refunded upon return of Equitainer to Zerlotti Equine Reproduction, Ltd. in good condition. Return fee of Equitainer is the responsibility of the mare owner and must be returned by 2-day service. Payment in full is due prior to shipment. COLLECTION DAYS ARE MONDAYS, WEDNESDAYS AND FRIDAYS. NO EXCEPTIONS. TWENTY-FOUR (24) HOUR ADVANCE NOTICE IS REQUIRED TO RESERVE AND VERIFY SHIPMENT FOR COUNTER-TO-COUNTER DELIVERY.
- 5. FROZEN SEMEN TEST FREEZE** includes one collection, semen extender tests and evaluation of semen as to viability for freezing. The fee does not include any outside laboratory tests or shipping costs.
- 6. COLLECTION FOR FREEZING** includes one collection of stallion and freezing of up to 10 straws. Each additional straw utilized from a single collection will be billed individually.
- 7. FROZEN SEMEN SHIPPING & HANDLING** includes container rental, handling fee and Priority Overnight Service. The fee does not include refundable dry shipper container deposit. A shipping container deposit of \$1,000.00 is required to be held on a credit card and will be refunded upon return of the container. Return shipment fee of the shipping container is the responsibility of the mare owner and must be returned within one week. UNDER NO CIRCUMSTANCES WILL ZERLOTTI EQUINE REPRODUCTION, LTD. SHIP FROZEN SEMEN WITHOUT PRIOR AUTHORIZATION FROM THE STALLION OWNER. This fee does not include any laboratory tests or preparation of export documentation that may be required for foreign shipments. Payment in full is due prior to shipment.
- 8. FROZEN SEMEN STORAGE** includes storage of frozen semen in nitrogen containers. Number of straws is determined by inventory conducted on the 1<sup>st</sup> day of month. All accounts will be billed bi-annually unless other arrangements have been made. Storage accounts must be paid in full prior to distribution of the frozen semen. Client is responsible for obtaining insurance on any semen held for storage purposes.

**Boarding-Stallion Breeding: \$25 per day**

Zerlotti Equine, at its sole discretion, will determine if the horse needs another form of boarding for any reason, including, but not limited to, injury, disease, or behavior problems, and the client will be charged accordingly. Zerlotti Equine shall at all times maintain Horse in accordance with generally accepted standards in the horse industry. **Boarding fees are billed in advance and are due and payable by the tenth (10<sup>th</sup>) of each month or within ten (10) days of invoice date.**

- 6. ACCEPTANCE OF TERMS.** Client agrees to the terms and conditions set forth in this Agreement and all attachments, **including the 2009 Service Rate Schedule** which is expressly incorporated in this Agreement. Client agrees to pay all fees and expenses for services provided under this Agreement. **Client listed in Paragraph #1 will be responsible for payment of all services associated with Horse and rendered according to the terms of this Agreement.** Client agrees that Zerlotti Equine, in the exercise of its sole discretion, may increase or otherwise modify any and all fees and charges set forth in this Agreement (including the 2009 Service Rate Schedule), after providing thirty (30) days notice to Client and Client thereafter shall be liable for payment of such fees and expenses as increased or modified.
- 7. MISCELLANEOUS SERVICES, FEES AND EXPENSES.** Client shall pay all miscellaneous fees and expenses as set forth in this Agreement and as may be increased or modified hereafter by Zerlotti Equine together with all amounts necessary to reimburse Zerlotti Equine for services provided and all expenses incurred on behalf of Client. Client shall also pay or reimburse Zerlotti Equine promptly for all taxes, however defined or denominated except income taxes, related to this transaction or this Agreement, and for any interest and penalties imposed in connection with such taxes. Such amounts described in this Section shall be referred to in this Agreement as "Miscellaneous Fees and Expenses."

8. **BILLING TERMS.** Client shall pay all fees and expenses incurred under this Agreement upon receipt of the statement(s) for such fees and expenses. Payment shall be deemed late if not paid within ten (10) days from the date such statement is deposited in the United States mail, emailed or personally delivered. IF CLIENT FAILS TO OBJECT IN WRITING TO ANY ITEM CHARGED IN A STATEMENT WITHIN TEN (10) DAYS FROM THE DATE SUCH STATEMENT IS DEPOSITED IN THE UNITED STATES MAIL, E-MAILED OR PERSONALLY DELIVERED, THEN IT SHALL BE CONCLUSIVELY AGREED BY CLIENT THAT SUCH AMOUNT IS FAIR AND CORRECT AND IS OWED TO ZERLOTTI EQUINE AND THAT CLIENT WAIVES ANY CHALLENGE TO THE FEES AND EXPENSES CHARGED. If Client fails to make timely payment of any amount due under this Agreement, Client shall be in breach of this Agreement. A VALID CREDIT CARD IS REQUIRED TO BE KEPT ON FILE AND WILL BE USED TO SETTLE OWNER'S ACCOUNT IF PAYMENT IN ANOTHER FORM IS NOT RECEIVED WITHIN TEN (10) DAYS OF STATEMENT DATE. SERVICES WILL NOT BEGIN UNTIL THE CREDIT CARD INFORMATION IS RECEIVED. Client also agrees that time is of the essence in payment of all amounts due under this Agreement and that it would be impractical to fix the exact amounts of Zerlotti Equine's damages if Client fails to pay promptly. Therefore, if any such amounts are not paid in full on or within thirty (30) days of the date shown on the Statement, Client agrees that Zerlotti Equine shall then be entitled to charge as liquidated damages on the then unpaid balance interest at the rate of 1.5% per month from the date of such statement until paid or the highest rate permitted by law, whichever is greater. All payments hereunder shall be made in lawful money of the United States at the office of Zerlotti Equine at the address set forth. Visa, MasterCard and Discover credit cards are accepted for payment. A fee of \$40.00 will be charged for returned checks. A 2% discount is available to the amount owed if payment is received via bank wire transfer to a Zerlotti Equine account by the 10<sup>th</sup> of the month or within 10 days of the invoice/statement date.
9. **SECURITY INTEREST AND LIEN.** CLIENT SPECIFICALLY AGREES THAT NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, ALL AMOUNTS OWED UNDER THIS AGREEMENT SHALL BE DUE AND PAYABLE BEFORE HORSE WILL BE RELEASED BY ZERLOTTI EQUINE. IN ADDITION TO THE FOREGOING, CLIENT HEREBY GRANTS ZERLOTTI EQUINE A SECURITY INTEREST AND LIEN IN HORSE AND ANY IN UTERUS EMBRYO(S)/FOAL(S) RESULTING FROM ANY SERVICES PROVIDED BY ZERLOTTI EQUINE PURSUANT TO THIS AGREEMENT AS SECURITY FOR ALL PAYMENTS NOW OR HEREAFTER OWING UNDER THIS AGREEMENT AND PERFORMANCE OF ALL OBLIGATIONS OF CLIENTS UNDER THIS AGREEMENT. IF CLIENT IS NOT THE LEGAL OWNER OF HORSE, CLIENT SPECIFICALLY REPRESENTS AND WARRANTS THAT THE PERSON SIGNING THIS AGREEMENT IS A DULY AUTHORIZED ATTORNEY-IN-FACT WITH SUFFICIENT AUTHORITY TO EXECUTE THIS AGREEMENT AND GRANT THE SECURING INTEREST AND LIEN GRANTED HEREBY FOR THE OWNER OF HORSE. ZERLOTTI EQUINE MAY, AT ANY TIME UNTIL ALL AMOUNTS DUE HEREUNDER ARE FULLY PAID AND ALL OBLIGATIONS REQUIRED OF CLIENT THEREUNDER ARE FULLY PERFORMED, FILE A PHOTOCOPY OF THIS AGREEMENT IN THE COUNTY AND STATE OF CLIENT'S RESIDENCE OR BUSINESS OR WHERE SUCH HORSE IS LOCATED, AND WHEN SO FILED THIS AGREEMENT SHALL BE EFFECTIVE AS A FINANCING STATEMENT AS WELL AS A SECURITY AGREEMENT. CLIENT AGREES TO EXECUTE, FILE AND RECORD SUCH OTHER STATEMENT, NOTICES AND AGREEMENTS, TAKE SUCH ACTIONS AND OBTAIN SUCH DOCUMENTS AS ZERLOTTI EQUINE SHALL DEEM NECESSARY TO FURTHER OBTAIN, PERFECT AND RETAIN SUCH SECURITY INTEREST AND LIEN. CLIENT APPOINTS MARIO ZERLOTTI AS ITS ATTORNEY-IN-FACT TO EXECUTE AND FILE UCC-1 FORMS AND OTHER DOCUMENTS TO RECORD, PERFECT, AND PROTECT SUCH SECURITY INTEREST AND LIEN GRANTED HEREIN. IF CLIENT FAILS TO PERFORM FULLY AND TIMELY ANY OBLIGATION UNDER THIS AGREEMENT, ZERLOTTI EQUINE, AT ITS OPTION, MAY DECLARE A DEFAULT AND EXERCISE ALL RIGHTS IN HORSE ALLOWED BY THIS AGREEMENT AND TEXAS LAW, INCLUDING THE TEXAS UNIFORM COMMERCIAL CODE.
10. **HEALTH REQUIREMENT AND VACCINATIONS.**
- Client warrants that Horse is free from all contagious and infectious diseases upon delivery to Zerlotti Equine.
  - Prior to arrival of Horse at Zerlotti Equine's facilities, Client shall have Horse vaccinated and tested for and shall provide a record of the Horse's vaccination for Strangles, Equine Influenza, Tetanus Toxoid, Encephalomyelitis, Rhinopneumonitis, West Nile Virus, and Equine Viral Arteritis within the last ninety (90) days, but not less than twenty-one (21) days prior to arrival of Horse at Zerlotti Equine's facilities and must provide a current negative Equine Infectious Anemia (Coggins) Test. See Exhibit "A".
  - If Horse arrives at Zerlotti Equine's facilities without current vaccinations and/or Coggins Test, Zerlotti Equine will place Horse in quarantine at the rate of \$25.00 per day until Client, at its sole expense, obtains vaccinations and/or Coggins Test for Horse. If Horse tests positive for EIA (Coggins test) then Horse will not be accepted by Zerlotti Equine and Horse will remain in quarantine until owner provides for re-location transportation.
  - If at any time while Horse is at Zerlotti Equine's facilities, it is determined by Zerlotti Equine, in its sole discretion, that Horse has a contagious or infectious disease or for any other medical reason should be removed from Zerlotti Equine's facilities, Zerlotti Equine shall give Client notice of such condition and shall have the right to have Horse removed from Zerlotti Equine's facilities immediately, at Client's sole expense.
  - Client hereby authorizes Zerlotti Equine to provide or arrange for, at Client's sole expense, all veterinarian services or treatment for Horse which Zerlotti Equine reasonably believes to be necessary.
11. **TRANSPORTATION AND RELEASE OF HORSE.**
- Client shall be solely responsible for arranging and paying the costs for transporting Horse in connection with this Agreement.
  - Account must be paid in full prior to release of Horse from Zerlotti Equine's facilities. Client specifically agrees that Zerlotti Equine may retain possession of Horse until Client has paid all amounts owed to Zerlotti Equine and performed fully all obligations required of Client under this Agreement.
  - Client shall provide Zerlotti Equine with **at least one week advance notice (excluding weekends)** of intent to pick-up Horse. Client shall provide Zerlotti Equine with written authorization to release Horse to any third party transporter and Zerlotti Equine shall have no obligation to release Horse without such written authorization. Transportation arrangements must be made between the hours of 8 a.m. and 5 p.m. CST Monday through Friday. Upon commencement of the loading of Horse by a third party transporter, Client assumes full responsibility and liability for the health, soundness, breeding condition, transportation and care of Horse.
  - Client hereby authorizes Zerlotti Equine during the time Horse is boarded at Zerlotti Equine's facilities pursuant to this Agreement to transport, or to select a third party to transport, Horse to a veterinary medical facility if Zerlotti Equine determines, in its sole discretion, that such off-site veterinary services are necessary. Client agrees to pay for any such transportation.
  - Zerlotti Equine shall have the right to require that Horse receive, at Client's sole expense, a veterinarian's certificate of health prior to Horse's release from Zerlotti Equine.
  - Client will be charged an additional fee if Horse arrives or departs before/after normal barn hours of 7 a.m. to 7 p.m. CST. (See Service Rate Schedule)

12. **INSURANCE.** Client is responsible for obtaining any insurance Client desires for Horse. If Client obtains insurance for Horse, Client shall provide Zerlotti Equine a certificate of insurance evidencing same. If Client does not obtain insurance, Client acknowledges that he/she/it is self-insured and assumes full responsibility of any loss incurred with respect to Horse.
13. **SALES COMMISSION AND ZERLOTTI EQUINE'S RIGHT TO SERVE AS JOINT AGENT.** If (a) Client Horse is placed in Zerlotti Equine's Breeding Program, and Horse is sold while in said program; or (b) Horse is sold as a result of activities by Zerlotti Equine or any of its employees; or (c) Horse is otherwise sold to a person or entity for which Zerlotti Equine or any of its employees is the procuring cause, then Client shall pay Zerlotti Equine promptly at the time of such sale an amount equal to fifteen percent (15%) of the total purchase price or value of the consideration to be received by Client. Client agrees that Zerlotti Equine and any of its employees may serve as both an agent for Client and as an agent for the purchaser of Horse, and may receive compensation from the purchaser for Zerlotti Equine services in addition to the commission from Client. Client hereby knowingly and freely waives any conflict for its acts on behalf of the Client with respect to such dual agency.
14. **DISCLAIMER OF AND LIMITATIONS TO ZERLOTTI EQUINE REPRODUCTION LTD'S LIABILITY. EXCEPT IN THE EVENT OF INTENTIONAL MISCONDUCT, ZERLOTTI EQUINE REPRODUCTION, LTD., ITS OWNERS, PARTNERS, PRINCIPALS, AGENTS, EMPLOYEES, SERVANTS, VETERINARIANS AND FARRIERS, OR ANY OF THEM, HEREBY EXPRESSLY DISCLAIMS ALL LIABILITY FOR ANY SICKNESS, DISEASE, ESTRAY, THEFT, INJURY OR DEATH, WHICH MAY BE SUFFERED BY HORSE DURING THE TIME HORSE IS IN THE CUSTODY OR CONTROL OF ZERLOTTI EQUINE AND CLIENT HEREBY EXPRESSLY WAIVES ALL CLAIMS AND CAUSES OF ACTION WHETHER SOUNDING IN CONTRACT OR TORT, INCLUDING BREACH OF CONTRACT, NEGLIGENCE AND GROSS NEGLIGENCE, AGAINST ZERLOTTI EQUINE, ITS OWNERS, PARTNERS, PRINCIPALS, AGENTS, EMPLOYEES, SERVANTS, VETERINARIANS AND FARRIERS, OR ANY OF THEM, FOR INJURY TO OR DEATH OF HORSE AND ANY PERSONAL INJURY OR LIABILITY WHICH CLIENT, ITS AGENTS OR EMPLOYEES OR ANY THIRD PARTY MAY RECEIVE WHILE ON ZERLOTTI EQUINE'S PREMISES, WHETHER PREMISES ARE OWNED OR LEASED, ARISING OUT OF OR IN ANY WAY CONNECTED WITH BOARDING, CONDITIONING, TRAINING, TREATING, FEEDING, BREEDING, RACING, TRANSPORTING, SHOWING, MARKETING, OR PROVIDING VETRINARIAN CARE OR ANY OTHER SERVICES FOR CLIENT INVOLVING HORSE. CLIENT FULLY UNDERSTANDS AND AGREES THAT ZERLOTTI EQUINE HAS NO OBLIGATION TO PROVIDE FOR CLIENT'S BENEFIT ANY PUBLIC LIABILITY, ACCIDENTAL INJURY, THEFT, EQUINE MORTALITY, CARE, CUSTODY OR CONTROL INSURANCE ON HORSE, AND THAT ALL RISKS CONNECTED WITH THE BOARDING, CONDITIONING, TRAINING, RACING, BREEDING, RACING, TRANSPORTATION, SHOWING, MARKETING OR PROVIDING OF ANY OTHER SERVICES TO HORSE ARE TO BE BORNE SOLELY BY CLIENT. ALL IMPLIED WARRANTIES, INCLUDING WARRANTIES FOR MERCHANTABILITY, BREEDING, SHOWING AND FOR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY EXPRESSLY WAIVED BY CLIENT AND CLIENT HEREBY AGREES THAT ZERLOTTI EQUINE, ITS OWNERS, PARTNERS, PRINCIPALS, EMPLOYEES, AGENTS, SERVANTS, VETERINARIANS, ATTORNEYS, ACCOUNTANTS, FARRIERS, SUCCESSORS AND ASSIGNS OR ANY OF THEM, SHALL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING FROM THE TRANSACTION COVERED BY THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, ANY DAMAGES ARISING FROM THE NON-PERFORMANCE OF OBLIGATIONS WHICH CLIENT MAY HAVE UNDERTAKEN TO ANY THIRD PARTY IN RELIANCE UPON ZERLOTTI EQUINE PROMISES AND REPRESENTATIONS IN THIS AGREEMENT. IN NO EVENT SHALL CLIENT'S REMEDY FOR ANY LIABILITY OR CAUSE OF ACTION ARISING UNDER THIS AGREEMENT EXCEED THE AMOUNT OF THE FEES PAID BY CLIENT UNDER THIS AGREEMENT. WARNING, UNDER TEXAS LAW (CHAPTER 87, CIVIL PRACTICE AND REMEDIES CODE), AN EQUINE PROFESSIONAL IS NOT LIABLE FOR AN INJURY TO OR THE DEATH OF A PARTICIPANT IN EQUINE ACTIVITIES RESULTING FROM THE INHERENT RISKS OF EQUINE ACTIVITIES.**
15. **INDEMNIFICATION AND HOLD HARMLESS OF ZERLOTTI EQUINE BY CLIENT.** With the exception that the following provisions of the Section shall in no event be construed to require indemnification by Client in excess of that permitted under the public policy of the applicable law, Client shall indemnify, defend and save harmless Zerlotti Equine, its owners, partners, principals, employees, agents, servants, veterinarians, attorneys, accountants, farriers, successors, assigns, and any of them, of and from: (a) any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, in law or in equity, of every kind and nature whatsoever, known or unknown, arising out of or in any manner connected with any damage or injury to a third person or persons or to the property of any third person or persons caused by Horse while it is in the care of Zerlotti Equine, its employees, agents, servants, veterinarians, attorneys, accountants, farriers, successors, assigns, and any of them; and (b) any and all claims, demands, causes of action, damages, costs, expenses, losses, or liabilities, in law or in equity, of every kind and nature whatsoever, known or unknown, arising out of or in any manner connected with Horse which is caused or alleged to be caused by the acts or omissions of Zerlotti Equine, its employees, agents, veterinarians, attorneys, accountants, farriers, successors, assigns, and any of them.
16. At Client's own cost, expense and risk, Client shall defend any and all suits, arbitrations or other proceedings that may be brought or instituted by third persons or by the legal owner of Horse (where Client is not the legal owner) against Zerlotti Equine, its owners, partners, principals, employees, agents, servants, veterinarians, attorneys, accountants, farriers, successors, assigns, or any of them, for any and all in enforcing the indemnity granted in this Section. Zerlotti Equine, its employees, agents, veterinarians, attorneys, accountants, farriers, successors, assigns, or any of them, shall have the right to select its own counsel to defend any claim within the scope of this Section.
17. **WAIVER, AMENDMENT OR MODIFICATION.** No provisions of this Agreement shall be deemed waived, amended or modified by either party unless such waiver, amendment or modification is in writing and signed by the party against whom the enforcement of such waiver, amendment or modification is sought. The failure of Zerlotti Equine to enforce any of the provisions of this Agreement shall not be construed as a waiver of such provision or of the right of Zerlotti Equine thereafter to enforce such provision.
18. **NOTICE:** In the event any notice is to be given under the terms of this Agreement, or if any party hereto desires to give notice to any party to this Agreement, such notice shall be in writing, and may be personally delivered or sent by certified mail, return receipt requested, to the addresses shown above. If such notice is delivered personally, it shall be effective upon such delivery; if mailed, it shall be deemed delivered and effective upon deposit with the United States Post Office.
19. **ACKNOWLEDGEMENT AND CONSENT TO PAYMENT OF COMMISSION.** Client hereby acknowledges and consents to the payment by Zerlotti Equine of a commission to other persons or agents for his/her/its services as Zerlotti Equine's agent in obtaining the purchase of Horse or any breeding provided herein.
20. **ENTIRE AGREEMENT.** The terms of this Agreement are intended by the parties as a final expression of their agreement with respect to such terms as are included in this Agreement and may not be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement constitutes the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial proceeding, if any, involving this Agreement. No Agreement shall be deemed to exist or to bind

any of the parties hereto unless such representation, warranty, condition, understanding or agreement shall be reduced to writing and mutually agreed to by the parties hereto and expressly incorporated herein.

21. **SEVERABILITY.** All provisions of this Agreement prohibited by the law of any applicable jurisdiction shall, as to said jurisdiction, be ineffective to the extent of such prohibition without hereby invalidating any other provisions of this Agreement.
22. **ATTORNEY'S FEES.** In the event that any legal action is brought or instituted by the parties hereto, for any purpose under or in connection with this Agreement, the prevailing party shall be entitled to receive from the losing party all costs of suit, including reasonable attorney's fees. In the event that Zerlotti Equine engages the services of any attorney to enforce any provision of this Agreement, and Zerlotti Equine is successful in so enforcing this Agreement, Client shall pay to Zerlotti Equine the reasonable attorney's fees and expenses incurred by Zerlotti Equine by reason of such enforcement, whether or not legal action is brought.
23. **GOVERNING LAW, JURISDICTION AND VENUE.** This Agreement shall be governed by and be construed in accordance with the laws of the state of Texas. The parties agree that in the event any legal action or other legal proceeding is instituted that arises out of or is in any manner connected with this Agreement, the parties hereby submit to the exclusive jurisdiction and venue of the District Court of Bexar County, Texas.
24. **SUCCESSORS AND ASSIGNS.** This Agreement shall in all respects bind and inure to the heirs, executors, administrators, successors and assigns of the parties. Client, however, shall not have the right to assign any rights or delegate any duties under this Agreement without prior written consent of Zerlotti Equine
25. **WARNING, UNDER TEXAS LAW (CHAPTER 87, CIVIL PRACTICE AND REMEDIES CODE), AN EQUINE PROFESSIONAL IS NOT LIABLE FOR AN INJURY TO OR THE DEATH OF A PARTICIPANT IN EQUINE ACTIVITIES RESULTING FROM THE INHERENT RISKS OF EQUINE ACTIVITIES.**

**IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day first above written:**

For Zerlotti Equine Reproduction, Ltd.	Date	Client or Authorized Agent Signature*	Date
For Zerlotti Equine Reproduction, Ltd. Printed Name		Client or Authorized Agent Printed Name	

\*If signed by Authorized Agent please attach Power of Attorney or equivalent document signed by Horse owner which authorizes Agent to execute all terms of this Agreement on behalf of Client and/or Owner.

**CLIENT MUST PROVIDE CREDIT CARD INFORMATION PRIOR TO PROVISION OF SERVICES.**

**VISA, MASTERCARD AND DISCOVER CREDIT CARDS ARE ACCEPTED FOR PAYMENT. A FEE OF \$40.00 WILL BE CHARGED FOR RETURNED CHECKS.**

**CREDIT CARD INFORMATION:**

**Type of card:**  Discover  Master Card  Visa

**Card Number:** \_\_\_\_\_ **Expiration Date:** \_\_\_\_/\_\_\_\_

**Cardholder Name:** \_\_\_\_\_

**Billing Address (for CC Account):** \_\_\_\_\_  
 \_\_\_\_\_

**Phone Number (for CC Account):** \_\_\_\_\_

EXHIBIT A

Veterinarian Certified Vaccination Record

HORSE NAME	REG. #	DOB	SEX	COLOR
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Vaccinations	Date of last vaccination
Eastern/Western Encephalomyelitis	
Venezuelan/Eastern/Western Encephalomyelitis	
West Nile	
Tetanus	
Rhinopneumonitis	
Equine Influenza	
Equine Viral Arteritis (EVA)	
Strangles	
Other: _____	

**Negative Equine Infectious Anemia (Coggins) Test**

State	Date
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**Worming**

Wormer Used	Date
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The horse named above has received the above vaccinations within one year of its arrival date but not less than twenty-one (21) days prior to the arrival date.

\_\_\_\_\_  
Clinic Name

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Signature of Certified Veterinarian

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name of Certified Veterinarian

**EXHIBIT B**

**HORSE INFORMATION SHEET**

**PREVIOUS VETERINARY HISTORY**

<b>Colic</b>	<b>Frequency</b>
<b>Founder</b>	<b>Date</b>
<b>Known Allergies</b>	
<b>Dental Exam</b>	
<b>Farrier work</b>	
<b>Other</b>	

**BREEDING INFORMATION**

<b>Mare in Foal to</b>	<b>Due Date</b>
<b>Foal at Side</b>	<b>Foal's DOB, Sex and Color</b>

**Additional Breeding information**

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**FEED INFORMATION**

List Any Special Feed requirements in the space below:

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Type of Hay \_\_\_\_\_ Type of Grain: \_\_\_\_\_

AM \_\_\_\_\_

NOON \_\_\_\_\_

PM \_\_\_\_\_

**Medications or Supplements**

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## 2009 SERVICE RATE SCHEDULE

This is not a complete list of all services offered at Zerlotti Equine Reproduction, Ltd. Additional services and price information are available upon request.

<b>EMBRYO TRANSFER SERVICES</b>	
Enrollment Fee, one-site, per cycle	\$650
Enrollment Fee, shipped embryo, per cycle	\$350
Flush only, on-site, per cycle	\$350
Transfer fee, per transfer	\$450
30-Day Pregnancy Fee	\$3,000
Recipient Mare Deposit (Refundable)	\$1,000
Recipient Mare Sale (Non-refundable)	\$1,000
<b>MARE BREEDING SERVICES</b>	
Artificial Insemination, Fresh or Cooled Semen, per cycle (includes palpation, ultrasounds, insemination, medication administration to induce ovulation)	\$350
Artificial Insemination, Frozen Semen, per cycle	\$500
Palpation and Ultrasound, per exam	\$80
Uterine Lavage, per treatment	\$100
Foaling Fee, uncomplicated delivery, per foal	\$500
<b>STALLION BREEDING SERVICES</b>	
Reproduction Evaluation, per evaluation	\$500
Collection for On-Site Artificial Insemination, per collection	\$150
Collection for Shipment of Cooled Semen, per collection, Priority Overnight Service	\$350
Collection for Shipment of Cooled Semen, per collection, Counter-to Counter Service	\$450
Test Freeze; per collection	\$500
Collection for Freezing, per collection up to 10 straws	\$450
	\$50 per additional straw
Frozen Semen Shipping & Handling, per shipment*	\$500
Frozen Semen Storage, 1 to 50 straws	\$25 per month
Frozen Semen Storage, 51-100 straws	\$35 per month
Frozen Semen Storage, More than 100 straws	\$50 per month
*Preparation of export documentation is in addition to shipping charges and will be determined at time of shipment	
<b>MEDICATIONS (For medication administration not covered in contract)</b>	
Prostaglandin, per treatment	\$10
hCG, per treatment	\$30
Deslorelin, per injection	\$30
Intrauterine Antibiotics	\$60
eFSH (Super Ovulation Treatment), per treatment	\$110
Progesterone, per injection	\$30
Regumate, per day	\$5
Plasma Treatment, per treatment	\$150
<b>BOARD</b>	
Donor Mare Breeding Board-Dry (no foal by side)	\$18/day
Donor Mare Breeding Board-Wet (foal by side)	\$20/day
Donor Mare Conditioning Board (includes grooming, turnout and blanketing with owner-provided blankets)	\$25/day
Donor Mare Pasture Board	\$15/day
Recipient Mare Board-30 to 90 days in foal	\$12/day
Recipient Mare Board-over 90 days in foal	\$15/day
Recipient Mare w/foal (applies upon delivery of foal)	\$18/day
Stallion Breeding Board (includes grooming, turnout and blanketing with owner-provided blankets)	\$25/day
Weanling Board	\$18/day
After Hours Arrival and Departure Fee	
7 pm to 11 pm CST	\$100
11 pm to 7 am CST	\$200