

SMOKY MOUNTAIN PARK ARABIANS
BREEDING CONTRACT

1. BREEDING FEE

The undersigned, Owner ("Mare Owner") of the Mare (Name) _____
Registration # _____ and Breed _____ hereby agrees to
breed to Arabian Stallion Ballience V AHRA 518536 standing at Smoky Mountain Park Arabians
(hereafter SMPA) or its custodian, and to pay a yearly handling fee of \$250 and a breeding fee of \$2000
for purebreds or \$1500 for half-Arabians covering the 2010 breeding season which are due and payable
prior to the semen shipment and breeding of this Mare. (NAME OF THE MARE, REGISTRATION # AND
BREED ARE REQUIRED TO COMPLETED THIS CONTRACT.)

2. OTHER SERVICES AND EXPENSES:

2.1. FOR MARE CARE AT SMPA:

It is understood that in addition to the above stated fee, the mare owner shall pay board expenses
at the rate of \$10 per day for an open mare and \$14 per day for a mare with foal, plus veterinarian's
services and expenses and all other services and expenses including drugs, medications, and supplies
required, farrier services and expenses and all other services and expenses reasonable and necessary to
insure the wellbeing of the Mare. SMPA or its custodian shall render monthly detailed statements of all
such charges and payments therefore and shall be made promptly and within the terms set forth in #9
and must be paid in full before the departure of the mare.

2.2 FOR TRANSPORTED (COOLED) SEMEN

Prior to the transportation of a stallion's semen, all fees in connection with shipping must be paid
in full. The semen collection and transportation fee shall be \$250 for next day delivery (Federal Express).
Purchaser shall pay additional charges for Saturday delivery, in addition to the charges set forth above.
Shipment contain must be returned via Federal Express Overnight service within 72 hours of receipt. In
the event of a container not being returned on time, there is a \$25 per day late charge. All fees, deposits,
and late charges must be paid in full prior to each shipment.

3. CONDITIONS FOR ACCEPTANCE FOR MARES TO BE BRED AT SMPA:

Prior to at time of arrival of the mare, SMPA or its custodian shall be furnished with a copy of
mare's registration papers 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 EW tetanus infection within the past 6 months.
- 4) That the mare has had Flu-Vac within the past 6 months.
- 5) That the mare has had Rhino within the past 6 months.
- 6) That the mare has a negative uterine culture within the last 90 days.

SMPA or its custodian reserve the right to refuse acceptance of the mare under agreement if in
the event major medical problems arise or develop which, in the opinion of SMPA or its custodian, would
preclude the breeding of said mare, upon notification, this contact shall terminate and the parties shall be
relieved of any further obligation or liability hereunder, except the mare owner's obligation to remove the
mare from SMPA or its custodian, at the 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

Prior to the semen shipment to the mare owner, SMPA or its custodian shall be furnished with a
copy of the mare's registration papers. The mare must also have a negative uterine culture (90 days)
prior to semen shipment.

5. TRANSPORTED SEMEN AGREEMENT

5.1 COLLECTION SCHEDULE – Collection of semen for shipment will occur at 11:00 AM Eastern Time on Mondays, Wednesdays, and Fridays throughout the designated breeding season. Shipment will be Priority Overnight FedEx unless otherwise designated.

5.2 NOTIFICATION OF SHIPMENT – Mare owners must notify SMPA or its custodian 24 hours in advance or up to 11 AM Eastern Time the day of a scheduled collection for overnight FedEx.

5.3 SEASONAL LIMITATIONS – A mare owner may not receive more than 6 semen shipments during a regular breeding season. With proper notice, another mare may be substituted or the original mare may be sent to SMPA or its affiliates for on the farm insemination.

5.4 DESIGNATED BREEDING SEASON – Breeding season is from February 15 through August 31. The stallion Owner reserves the right to exhibit stallion at certain horse shows during breeding season. Semen will not be available at these times. The stallions show schedule is available by calling (770) 740-8432.

6. REBREEDING PRIVILEGE

SMPA and its custodian anticipate a live foal from this mating. A live foal is defined for the purposes hereof as one, which stands and nurses for at least 24 hours. Should the mare abort at any time after being confirmed in foal to the stallion, or should her foal be born dead, the mare owner is guaranteed a return privilege for the same mare or a substitute mare during the same or next season free of any additional fees except for any unpaid services, expenses or fees under items 1 and 2. If a return privilege is exercised after the same or the next season, a fee of \$250 shall be charged and paid plus any unpaid services, expenses, or fees under numbers 1 and 2. The return breeding privilege can only be exercised for the 2 (two) breeding seasons following initial breeding season.

This privilege shall not apply unless SMPA or its custodian is notified by registered or certified mail, return receipt requested, within ninety-six (96) hours of delivery of the aborting foal's death and a statement by a licensed veterinarian follows within twenty (20) business days setting forth the details thereof and certifying that such abortion or death did not result from any act or omission of the mare owner, or any other party subsequent to the mare being confirmed in foal, and that all due care had been exercised and that said mare had been afforded all reasonable protection.

7. REPRESENTATION

SMPA hereby represents to the mare owner that any semen transported will be from the stallion indicated on the semen collection report, and that any other information on the report shall be accurate. SMPA DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES CONCERNING OR RELATED TO THE TRANSPORTED SEMEN, INCLUDING WITHOUT LIMITATIONS AND WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE.

SMPA hereby represents to that all applicable mares and personal information is true, complete, and correct.

8. WAIVER OF LIABILITY

Except in the event of gross negligence, recklessness, or willful misconduct by SMPA, its agents, servants or employees (the "Parties"), shall not be liable for any sickness, disease, estray, death or injury which may suffer by the mare or any foal of the mare or for any other cause of action whoever arising out of or in any way connected with the breeding or provision of any service to the mare. Mare owner understands that SMPA does not provide any public liability, accidental injury, theft or equine mortality insurance on the mare 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 SMPA 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

MARE OWNER MAY HAVE UNDERTAKEN TO ANY AGREEMENT, IN NO EVENT SHALL SMPA BE LIABLE FOR ANY ACTION OR CAUSE OF ACTION ARISING UNDER THIS AGREEMENT EXCEED THE AMOUNT OF FEES BY MARE OWNER HEREUNDER.

9. PAYMENT OF FEES

Mare owner hereby agrees to pay SMPA all applicable charges, fees, services, and expenses identified in this agreement. Except for those which require payment in advance, the charges, fees, and expenses shall be due and payable within 15 days of any invoice rendered by SMPA. Mare owner will pay a late charge of one and one half percent per month or the greatest charge amount by law on all past due moneys. All payments shall be paid in lawful United States currency at the office of SMPA in Knoxville, Tennessee.

10. REFUND OF FEES

The only fees that are refundable under this agreement are the breeding fees and the container fee. The breeding fees are only refundable should the stallion die or be unfit to breed for any reason. The fees are refundable as follows:

- 1) Fully refundable if no semen has been shipped or breeding attempted.
- 2) Fifty percent (50%) of the breeding fee will be refunded if semen has been shipped for the first year of breeding or at least one breeding attempt.
- 3) No refund will be made if semen has been shipped or breeding attempted in two or more years.
- 4) The container deposit is refundable when mare is checked in foal or when the container is no longer needed for more shipments of semen to mare owner.

11. TRANSFER OR SALE OF BREEDING

This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors. The breeding has been completely paid for, the new mare owner executes a new service contract, and pays 20% of the breeding fee, as a transfer fee, within 30 days of the sale or the breeding becomes nullified. There are not other provisions for the transfer or sale of these rights.

12. MISCELLANEOUS PROVISIONS

Mare owner hereby agrees to indemnify and hold harmless the SMPA parties from and against any and all claims, demands, and causes of action, damage, costs, and 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 or any foal resulting from any breeding of the mare to the stallion and any and all claims, demands, causes of action, damages, costs, expenses, losses, or liability, at law or in equity, of every kind and nature known or unknown arising out of or in any matter connected with any injury to mare or any foal of the mare while they are in custody of SMPA.

This agreement herein 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 with 30 days notice, signed by both parties.

Any communication or notice made in judgment with this agreement shall be made in writing only, any notice or communication shall become effective when deposited in the United States mail properly addressed to the addresses at the end of the agreement with proper first class mail.

Mare owner shall reimburse SMPA for all costs, fees. Expenses, including reasonable attorney fees incurred by rights under this agreement with all federal, state, and local sales or use tax liabilities, if any, connected with however taxes based on net income of SMPA.

In the event of the 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 reasonable attorney 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 interest of any voluntary or involuntary bankruptcy proceedings.

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

This agreement shall be governed by constructed in accordance with the laws of the state of Tennessee. Any dispute related to this agreement shall be resolved by binding arbitration through the American Arbitration Association in Loudon County Tennessee before a single neutral arbitrator who shall be familiar with the equine industry and who shall award costs and attorney fees to the prevailing party.

MARE OWNER HAS READ AND ACCEPTS ALL OF THE TERMS ON EACH PAGE OF THIS AGREEMENT.

PRINTED NAME, MARE OWNER

DATE

ADDRESS

SHIPPING ADDRESS

SIGNATURE, MARE OWNER

TELEPHONE NUMBER (REQUIRED)

SIGNATURE, SMOKY MOUNTAIN PARK ARABIANS

DATE