



BREEDING CONTRACT – ON SITE

This Agreement, by and between Gumz Farms Quarter Horses, LLC (“Gumz Farms”) and the undersigned Owner or Lessee of the mare described below (“Mare Owner”):

1. Engagement. The Mare Owner hereby engages one breeding service to _____ (the “Stallion”) for the mare (the “Mare”) listed below for the 2013 breeding season.

Mare Name: _____ Registration No.: _____

2. Breeding Fee. The breeding fee shall be \$_____, which includes a nonrefundable booking fee of \$500.00, which is due upon execution of this Agreement. The balance of the breeding fee is due upon arrival of Mare to Gumz Farms. In accordance with Kentucky law, sales tax will be assessed on the breeding fees for all in-state mares.

3. Other Services and Expenses. It is understood that in addition to the above-stated breeding fee, Mare Owner shall pay board expenses at the rate of \$20 per day for a dry mare or \$24 per day for a wet mare and if necessary a foaling fee of \$375, plus veterinarian services and related expenses including transportation to a veterinary facility, farrier services, special dietary services, and all other services and expenses reasonable or appropriate to ensure the well-being and breeding of the Mare and/or foal. Gumz Farms will issue monthly statements of all such charges and Mare Owner agrees to pay these charges in full upon receipt. Such charges shall be paid in full whether or not the Mare is settled. In the event such payments are not received when due, Mare Owner acknowledges and agrees Mare Owner shall pay to Gumz Farms a 1.5% monthly (18% per annum) carrying fee on the total sum of any amount not paid when due. Mare Owner shall pay all reasonable attorneys’ fees, paralegal fees, accountant fees and any other cost and expenses incurred by Gumz Farms in pursuing collection of the sums owed under this Agreement.

4. Conditions for Acceptance of Mare. A photocopy of both sides of the Mare’s registration papers must be furnished and returned with this Agreement. Mare Owner represents and warrants that the Mare is healthy, of sound breeding condition, halter broken, is free from infection or disease and that the Mare tested negative on a Coggins Test performed within six (6) months prior to the date of this Agreement. Prior to the Mare’s arrival at Gumz Farms, the Mare must have a veterinarian’s health certificate including worming and vaccination records and a current negative Coggins Test. If these documents are not presented in acceptable form upon the Mare’s arrival, Gumz Farms shall have a veterinarian make proper test and evaluation at Mare Owner’s expense. Gumz Farms reserves the right to refuse acceptance of the Mare, if, in the opinion of Gumz Farms, the Mare is not in satisfactory condition. If the Mare is refused, this Agreement shall terminate and the parties shall be relieved of any further obligations or liability hereunder, except Mare Owner’s obligation to remove the Mare from Gumz Farms at Mare Owner’s expense and Mare Owner’s obligation to pay any outstanding charges and expenses.

5. Breeding and Risks. Gumz Farms will use reasonable diligence to settle the Mare and shall have sole discretion in determining the method of breeding the Mare. Should the Mare not settle, Mare Owner releases and holds harmless Gumz Farms from any resulting losses or damages. Mare Owner fully understands, authorizes and assumes the inherent risks and dangers in keeping, breeding and transporting horses and acknowledges that mortality and other insurance is solely the Mare Owner’s responsibility.

6. Live Foal Guarantee. Gumz Farms provides a limited guarantee that a single live foal will result from the breeding privileges granted herein. The term “live foal” means that a foal stands alone, nurses and lives for twenty-four (24) hours. If a live foal does not result from the breeding, Mare Owner shall be entitled to return the Mare or a substitute mare approved by Gumz Farms, for breeding to the Stallion for the following breeding season **only**. If the Mare Owner chooses to exercise the option to rebreed in a subsequent breeding season, Mare Owner is responsible for payment of a \$250.00 rebreed charge and all boarding charges and expenses for that subsequent season, but without payment of any further breeding fee. Mare Owner also remains subject to all terms and conditions of this Agreement. This obligation by Gumz Farms to rebreed will apply only if the Mare Owner notifies Gumz Farms within forty-eight (48) hours of foaling that the Mare did not produce a live foal and within fourteen (14) days after the Mare Owner’s notice to Gumz Farms, Mare Owner certifies to Gumz Farms that the birth was properly managed and also produces a statement from a licensed veterinarian stating details explaining the failure of the Mare to produce a live foal. It is agreed that this provision will be of no further effect if the Mare is taken to any other the Stallion before returning to the Stallion. If Mare Owner fails to rebreed the following year, then any and all fees paid shall be forfeited, the right to rebreed is canceled and Gumz Farms is released from all obligations of this Agreement.

7. Certificate and Multiple Foals. Upon notification of birth of a live foal and full payment of all fees and expenses and the performance of all other obligations of Mare Owner under this Agreement, Gumz Farms shall issue one breeder's certificate to the Mare Owner. Should more than one embryo or foal result from a breeding, Mare Owner shall pay an additional breeding fee, including the booking fee, for each embryo or resulting foal. Such payment shall be due within 60 days of breeding if embryos are flushed from the Mare or within two weeks of foaling in case of twins in order to receive a breeding certificate for the additional foal.

8. Substitution. If the Stallion dies, is unavailable, is sold or becomes unfit for service, and the Mare is not in foal, this Agreement shall become null and void and the breeding fee will be returned, less the booking fee and other expenses incurred to date. Alternatively, if frozen semen for the Stallion exists and is available, Gumz Farms may, at its discretion, make it available to the Mare Owner pursuant to the terms and conditions for shipped frozen semen. If the Mare dies before being settled, another mare may be substituted only upon express written consent of Gumz Farms.

9. Transportation and Release. Mare Owner shall be solely responsible for arranging and paying the costs for transporting the Mare. The Mare will not be released to Mare Owner or any agent until all fees and expenses are paid to date. Gumz Farms shall have a lien against the Mare and/or foal until such time as all charges and expenses are paid in full. This lien shall survive any transfer of possession. Mare Owner shall provide Gumz Farms with reasonable notice of intent to pick up the Mare. Mare Owner shall provide Gumz Farms with written authorization to release the Mare to any third party transporter and Gumz Farms shall have no obligation to release the Mare without such written authorization. Upon commencement of the loading of the Mare by a third party transporter, Mare Owner assumes full responsibility and liability for the health, welfare, care, soundness, breeding condition, and transportation of the Mare and any such foals.

10. No representations or Warranty. Mare Owner agrees and acknowledges that Gumz Farms has not made and does not make any representation or warranty as to the quality or conformation of the foal or that the foal will be free of any infirmity, conformation defect, disease or inherited train. GUMZ FARMS DISCLAIMS ANY WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH THIS AGREEMENT AND THIS BREEDING.

11. Waiver/Indemnification. Gumz Farms shall not be liable for any damages to the Mare arising out of or from the keeping or breeding of the Mare or that may occur from any cause whatsoever in connection therewith including but not limited to loss by fire, theft, running away, death, or injury during or after the term of this Agreement, whether the Mare is on Gumz Farms property or not. Mare Owner shall be solely responsible for all acts and behavior of the Mare at anytime during the term of this Agreement and in no case shall Gumz Farms, its owners, management, agents, and/or employees be held liable. Owner shall indemnify Gumz Farms, its owners, agents, management, and employees for all damages sustained or suffered by reason of the breeding or keeping of the Mare and for any claims arising out of the breeding act or keeping of the Mare. WARNING: Under Kentucky law, 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 the equine activities.

12. Miscellaneous. It is further agreed: (a) this Agreement constitutes the entire agreement between both parties hereto and there are no binding agreements, understandings, restrictions, warranties or representations between the parties other than those set forth herein; (b) this Agreement cannot be amended except in a writing executed by all parties hereto; (c) this Agreement may not be assigned or transferred in any manner, absent the express written permission of Gumz Farms; (d) this Agreement shall be governed by the laws of the Commonwealth of Kentucky and shall be binding upon the heirs, personal representatives, successors, agents and permitted assigns of the parties; (e) all actions concerning this Agreement shall be instituted in the Union County Circuit or Superior Courts, Morganfield, Kentucky, or in the United States District Court for the Western District of Kentucky, Owensboro Division and Mare Owner irrevocably and unconditionally submits to the personal jurisdiction of said courts; (f) Mare Owner acknowledges that failure of Gumz Farms to require performance of any provision of this Agreement shall not affect Gumz Farms' right to later require performance, nor shall a waiver of any breach or default of this Agreement constitute a waiver of any subsequent breach or default or a waiver of the provision itself; (g) the person executing this Agreement on behalf of the Mare Owner is fully authorized to execute this Agreement on behalf of Mare Owner; (h) should it be necessary for Gumz Farms to employ an attorney to enforce any of the terms of this Agreement, including collection of money owed, Mare Owner shall pay all attorney fees, paralegal fees, accountant fees and any other costs or expenses incurred by Gumz Farms; and (i) Mare Owner acknowledges that Gumz Farms acts solely as agent for the owner of the Stallion, and Gumz Farms will be bound by the terms of this Agreement only for so long as Gumz Farms is designated as the agent for the Stallion.

Mare Owner: _____
Signature _____ Date _____

Printed Name _____

Address _____ City, State, Zip _____

Gumz Farms, the Stallion's Authorized Agent

By: _____

