

USDA Approved Frozen Semen Quarantine Facility
Stallion & Mare Management



Advanced Reproductive Techniques
Foaling Services

December 10, 2016

Reference: **¡Fiesta Fudge!** – (Zips Chocolate Chip x Slippery Asset by Investment Asset)
2009 Bay Stallion – 15.2 1/2 Hands - AQHA #5214139

To whom it may concern,

BREEDING CONDITIONS:

2017 Breeding Fee - \$850 and INCLUDES the \$250 Booking Fee

Booking Fee: \$250 (Booking & Shipping Applies to all Futurity or Donated Breedings)

Shipped Semen Charges: \$175 CPU, \$275 FedEx, \$25 Saturday Delivery, \$375 Airline

Breeding Season: February 6, 2017 – June 30, 2017

Standing at DeGraff Stables, 2734 NE Catawba Road, Port Clinton OH 43452

PHN: 419.573.6507 / FAX: 419.573.6508 / CELL: 419.573.9098

Website: <http://www.ZipsChocolateChip.com>

For Contracts and Discounts visit: [http://www.degraffstables.com/stallions/%C2%A1Fiesta-Fudge!-\(AQHA\)](http://www.degraffstables.com/stallions/%C2%A1Fiesta-Fudge!-(AQHA))

On Facebook: <https://www.facebook.com/fiestafudge?fref=ts>

Email: robin@whatwork4.com

FOAL NOMINATIONS: AQHA IF, NSBA SIF

PRESENTATION OF STALLION:

¡Fiesta Fudge! Is a beautiful and great-minded stallion by Zips Chocolate Chip. He has a phenomenal pedigree, not only on his sire's side, but also on his dam's. ¡Fiesta Fudge! Is the natural choice to continue Zips Chocolate Chip's "recipe". Let him add a willing temperament and contemporary movement to your breeding program.

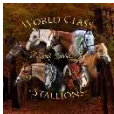
Exciting news from the 2016 Show Season! ¡FIESTA FUDGE! Reaching towards our goal to earn an AQHA Championship! Trained & shown by Heath Gunnison....As of 12-12-16 ¡FIESTA FUDGE! is leading the Nation in Sr Halter Stallions. He has earned his ROM in Halter, has 9 Grand Championships, 15 Reserve Championships in Halter and, he qualified for the AQHA World Show in Open Aged Stallions.

Making his debut in Western Riding and obtaining a Performance ROM, ¡FIESTA FUDGE! earned AQHA points in 2016 in Green Western Riding, Green Trail, Green Western Pleasure and Senior Western Riding. ¡FIESTA FUDGE! has clinched the 2016 KyQHA Year End High Point Awards in Open Aged Stallions & Green Western Riding! Many Thanks to Heath Gunnison for a job well done! We are Super Excited for ¡FIESTA FUDGE! to be on the show circuit!!!

FOALS: ¡OLE! ¡Fiesta Fudge! sired a Futurity Champion in his very first crop from 2015!

GENETIC AND HEALTH TESTING: ¡Fiesta Fudge! is certified N/N: GBED, HERDA, HYPP, MH and PSSM1. He has been tested Negative for CEM and EVA and is annually vaccinated for EVA.

Sincerely, Robin DeGraff - Stallion Manager, DeGraff Stables, Inc.



DEGRAFF STABLES, INC.

2017 Stallion Breeding Contract ~ All Stallions



This agreement ("Agreement") is entered into ("Effective Date") as identified by date and signature on Page 3 of this contract, for breeding services by and between the stallion owner ("Stallion Owner"-CT-Wilson Paint Horses: Caribbean Touchdown, FF-Myers Horse Farms, Inc.: IFIESTA FUDGE!, FTG-Ironwood Acres: Frosty The Goodbar, ALSH-Amy Lynn Show Horses: Hesa Cool Hotrod, BF-Bailey Farm LLC: One Hot Krymsun & Red White N Good or DGS-DeGraff Stables, Inc.: DGS1, DGSR, HBF & ITA) and, for shipped semen or breeding services by and between DeGraff Stables, Inc., ("DGS") the breeding facility and the mare owner ("Mare Owner") for services to the STALLION: _____ . Stallion Owner and Mare Owner may sometimes be referred to herein individually as "Owner" and collectively as the "Owners". Now, therefore, in consideration of the foregoing promises, covenants and other valuable consideration contained herein, the Owners and DGS agree as follows:

1. **Breeding Privilege and Fees.** Stallion Owner hereby grants Mare Owner the right to breed Mare to Stallion during the 2017 breeding season, which commences on February 6, 2017 and concludes on June 30, 2017 ("Breeding Season") In exchange for this breeding privilege, Mare Owner agrees to pay Stallion Owner c/o DGS a total breeding fee of \$ _____ ("Breeding Fee"), which includes a non-refundable booking fee of \$250.00 USD ("Booking Fee"). Mare Owner may receive a discount from the Breeding Fee per the terms of this Agreement. The breeding privilege granted herein and the Breeding Fee pertains only to the "Mare" and no others mares for the Contract Breeding Year and/or Rebreed Option. As of the date Mare Owner requests any shipments of Semen pursuant to the terms of this Agreement, Mare Owner represents and warrants that all fees due to DGS and fees due to Stallion Owner have been paid in full.
3. **Multiple Foals.** Should more than one embryo result from a breeding to the Stallion during embryo harvesting, Mare Owner must pay an additional Breeding Fee within ninety (90) days of a confirmed pregnancy in order to receive a breeding certificate for any additional foal that may result from the additional embryo(s). If the Mare carries and delivers multiple foals, an additional Breeding Fee will be due within thirty (30) days of both foals standing and nursing. Breeding fee would be subject to the multiple mare discount(s) in effect for the season as bred.
4. **Mare Owner Covenants, Representations and Warranties.** Mare Owner covenants, represents and warrants as follows:
 - (i) Mare is healthy and in sound breeding condition.
 - (ii) If Mare is open, barren or maiden, Mare Owner shall provide negative uterine culture and equine cytology with sensitivity within thirty (30) days prior to either (x) the anticipated date the Semen will be shipped or (y) the date the Mare will be bred on farm;
 - (iii) Mare Owner shall provide with this Agreement a current copy (front and back) of Mare's AQHA, APHA, ApHC or other approved breed association registration paper(s), which shall identify Mare ownership;
 - (iv) Mare is registered in Mare Owner's name, or provide a fully executed breed association lease authorization form.
5. **Live Foal & Color Guarantee ("LFG" & "CG").** Provided Mare Owner has complied with all the terms and conditions of this Agreement, which shall be determined in the sole discretion of DGS, if the breeding of the Mare does not produce a single Live Foal, Mare Owner shall retain the privilege to breed to the Stallion in the Breeding Season or Rebreed Season. Should Mare require to be rebred the subsequent breeding season after the Rebreed Season, Mare Owner must enter into another agreement with Stallion Owner and DGS, in which an additional Booking Fees and increased Breeding Fees may apply. No LFG applies on a 3rd year rebreed. If stallion is double registered (AQHA/APHA) and mare is AQHA, Appendix AQHA or JC, no color guarantee applies. If mare is APHA or PthA and resulting foal does not have suitable color for full registry, mare may be re-bred in the Rebreed year. \$250 Rebreed Fee for fillies or \$150 Rebreed Fee for colt foals plus Rebreed booking fee and shipping fees to breeding farm applies. Vet certification of foal sex is required. A substitution of Mare will be allowed with approval and written authorization from Stallion Owner.
6. **Death of Stallion.** In the event that the Stallion becomes incapable of breeding, dies or is sold, this contract shall become null and void and none of the parties hereto shall have any further rights or obligations, unless expressly set forth herein. In the event of the Stallion's death prior to the delivery of a Live Foal, the LFG shall become null and void and have no further effect on this Agreement. At Stallion Owner's sole discretion, the Semen or another stallion may be provided by Stallion Owner to Mare Owner to fulfill the terms of this Agreement. The Breeding Fee less the Booking Fee shall be refunded to Mare Owner in the sole discretion of the Stallion Owner and only if alternative arrangements may not be made. Under no circumstances will the Booking Fee be refunded.
7. **Death of Mare.** Should the Mare die or become unfit to breed prior to breeding, Mare Owner shall be required to breed a substitute mare to the Stallion. Substitute mare shall be owned or leased by Mare Owner and approved by Stallion Owner. No refunds shall be permitted. No other fees or charges are refundable except as described herein. No fees related to board or settling the Mare or substitute mare are refundable.
8. **Certificate and Parentage Verification.** Mare Owner agrees to comply with all AQHA, APHA or other breed association requirements as contained in the Rules of Registration in breed's Official Handbook concerning the use and handling of Transported Cooled Semen and shall comply with any parentage verification required. Mare Owner acknowledges that Stallion Owner, not DGS, will issue a breeder's certificate upon receiving notification of the birth of a Live Foal. Mare Owner acknowledges that Mare owner must pay DGS and Stallion Owner all fees, costs and expenses in full before Stallion Owner will issue a breeder's certificate to Mare Owner. Mare Owner acknowledges and agrees that a breeding certificate shall only be issued for Mare and only if the fees set forth in this Agreement and any other related contract are paid in full.
9. **Substitution/Transfer.** Substitute mare will not be allowed without prior written approval from Stallion Owner.
10. **Semen Shipment/Insemination Service and Fees.** DGS agrees to collect, process, cool, freeze, test, ship, and/or perform haul-in insemination on-farm; each as applicable, Semen to/for Mare Owner in accordance with the terms and conditions of this Agreement. In exchange for providing such services, Mare Owner shall pay DGS those fees charged for such services in accordance with DGS's fee schedules, all applicable taxes imposed by local, state or federal government authorities, and those other costs and expenses incurred by DGS for care of the Mare(collectively "Fees"). DGS reserves right to adjust fee schedules at any time without notice.
11. **Sales Tax, Credit Card Fees and Shipping Costs.** In accordance with Ohio law, a six percent (7%) sales tax will be assessed on the breeding and shipped semen fees for all in-state mares.If Mare Owner pays DGS by credit card, Mare Owner shall pay DGS a 3.5% convenience fee. Mare Owner agrees to pay DGS the following costs for the collection/preparation of the Semen for a Haul-In Insemination On-Farm, or, for shipment to a location in the United States of America:(i)If the Semen is picked up at DGS: \$175, (ii) If the Semen is shipped by standard overnight delivery: \$275, Saturday Delivery: Additional \$25, (iii) If the Semen is shipped by same day delivery and includes courier: \$375, (iv) If the Mare is inseminated via haul-in on-farm breeding: \$215, (v) if a Rebreed, a 1-Time \$250 Fee applies in addition to shipping/insemination cost. Mare Owner acknowledges that Mare Owner will be responsible for and agrees to pay DGS the above shipping/insemination charges if Mare Owner cancels its Semen request after DGS already collected/processed requested Semen.
12. **Equitainers.** Each Equitainer shipped to or picked up by Mare Owner must be immediately returned to DGS. Should Mare Owner fail to return an Equitainer to DGS within three (3) days after the delivery or pickup date, DGS may assess Mare Owner a \$25/day rental charge for each such Equitainer. Mare Owner shall be solely responsible for the cost of returning the Equitainer to DGS. Mare Owner shall tender to DGS (either by check, money order or credit card authorization) a Three Hundred Dollar (\$300) refundable deposit ("Refundable Deposit"). DGS will not cash the check nor charge the credit card unless DGS fails to receive the Equitainer within fifteen days (15) after the shipment or pickup date. Mare Owner may supply its own Equitainer, if so supplied, Mare Owner must deliver the Equitainer to DGS at least forty-eight (48) hours prior to the requested shipment or pickup date and shall boldly and clearly mark each Equitainer and all parts therein with Mare Owner's name and address. In this case a refundable deposit is not required. If DGS determines, in its sole discretion, to ship the Semen in a disposable container, Mare Owner shall pay DGS a non-returnable thirty-eight dollar (\$35) container fee.
13. **All Shipments.** Mare Owner shall make a request for a shipment of Semen at least twenty-four (24) hours in advance of the requested collection date. After giving priority to mares ordering first in a cycle, best efforts will be made to produce semen requests which will be filled in the order in which they are received. DGS does not guarantee that Mare Owner's Semen request will be filled by the requested date. DGS does not guarantee that Semen orders for same day delivery under this contract that are received by DGS on the date requested will be shipped on the date requested. Best efforts will be made to provide one dose of Semen, two if possible, on an as required basis.
 - (i) Collection dates are Monday, Wednesday, Friday and Saturdays – Saturdays by appointment.
 - (ii) Canadian and Embryo Transfer breeding Customers; please contact within 48 hours if an off schedule collection date is to be requested.
14. **Canadian Shipments.** In addition to the shipment costs set forth on Page 3 below, Mare Owner agrees that it must pay additional costs and expenses if Mare Owner requests Semen be shipped to Canada ("Canadian Mare Owner"). Before DGS may ship Semen to Canada, a Canadian Mare Owner must first apply and obtain an Import Permit for the Stallion. The Import Permit costs approximately \$60 for multiple entry (valid for one year) or \$35 for a single entry and it may take 3-5 days or longer to process the request. Each shipment to Canada must be accompanied by an Original United States Health Certificate, signed and stamped with the date of collection, and DGS must have a copy of Canadian Mare Owner's Import Permit to complete the documentation. Once the shipment



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is received in Canada, these documents must be presented to Canadian customs for inspection. Canadian Mare Owner acknowledges that many locations in Canada do not offer customs service on weekends. Canadian Mare Owner agrees to pay DGS the following charges and expenses: U.S. USDA Health Certification and Canadian Health Certificate Documentation fee \$165, Fed-Ex additional fee \$75.00 and Disposable Container is \$35.00. All Semen requests by Canadian Mare Owners must be made forty-eight (48) hours in advance of requested collection date.

15. Address of Record. Unless otherwise requested in writing, DGS shall ship Semen to the address of record which has been provided in writing by Mare Owner prior to any shipment. Mare Owner warrants that the address for shipment is a suitable facility for artificial insemination of the Mare. DGS may refuse to make repeated shipment to the address provided by Mare Owner if DGS determines, in its sole discretion that it will not reasonably lead to a successful breeding.

16. Insemination. Mare Owner represents and warrants that Mare named on contract will be the only mare to be inseminated by the Semen.

17. Transportation of Semen. If Semen is shipped to Mare Owner, delivery of the Semen is F.O.B. shipping point and title and risk of loss of the Semen pass to Mare Owner at the F.O.B. shipping point and all claims for loss or damage in transit or for non-delivery shall be made by Mare Owner against the carrier. All shipment, insurance or similar charges shall be borne by Mare Owner. DGS will make every attempt to ship Semen to Mare Owner in good condition; however, once Semen is delivered to the F.O.B. shipping point, delivery is out of DGS's control DGS does not guarantee or warrant that Semen will be in good condition upon arrival. NOTWITHSTANDING THE ABOVE, DGS SHALL NOT BE LIABLE FOR ANY DAMAGE OR PENALTIES WHATSOEVER, WHETHER INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL, RESULTING FROM DGS'S FAILURE TO DELIVER OR DELAY IN DELIVERY FOR ANY REASON.

18. Payment of Fees. Mare Owner shall pay the Breeding Fee before Stallion Owner or DGS is obligated to perform their respective obligations under this/these Agreement(s). Mare Owner shall pay DGS the Fees, Refundable Deposit and all costs and expenses set forth in the Shipped Cooled and/or Haul-In On-Farm breeding Agreement(s) before DGS releases the Semen to Mare Owner. DGS's release of the Semen without first receiving payment for the Fees, Refundable Deposit and all costs and expenses shall not constitute a waiver on the part of DGS to collect any unpaid Fees, costs and expenses. If paid by credit card, Mare Owner agrees that DGS will add a 3.5% credit card convenience charge to cover bank fees. If payment is not made when due, DGS shall have a lien against the Mare and/or resulting foal until such time as any and all charges are paid in full and said lien shall survive any transfer of possession. Additionally, DGS may suspend all future delivery and other performance without liability or penalty and, in addition to all other sums payable hereunder, Mare Owner shall pay to DGS (i) a \$25.00 handling fee; (ii) the reasonable costs and expenses incurred by DGS in connection with all actions taken to enforce collection or to preserve and protect DGS's rights hereunder, whether by legal proceedings or otherwise, including without limitation reasonable attorneys' fees, court costs and other expenses; and (iii) interest on all amounts unpaid charged at the monthly rate of 1-1/2% or the highest rate permitted by law, whichever is lower. DGS may also, in its discretion, compel Stallion Owner to withhold the breeder's certificate until payment is received in full.

19. Waiver of Liability. EACH OWNER AGREES THAT DGS, AND ITS REPRESENTATIVES, AGENTS, EMPLOYEES, MANAGERS, MEMBERS, LESSOR, AFFILIATED PERSONS, AND OTHERS ACTING ON DGS'S BEHALF (COLLECTIVELY "DGS REPRESENTATIVES"), SHALL NOT BE LIABLE FOR ANY DAMAGES INCLUDING BUT NOT LIMITED TO ANY CLAIM, DEMAND OR LOSS ARISING FROM ANY SICKNESS, DISEASE, ESTRAY, THEFT, INJURY OR DEATH TO THE STALLION, MARE, OR SEMEN OR LOSS OF PROFIT OR REVENUES, DAMAGE FOR LOSS OF USE OF THE SEMEN OR THE STALLION OR MARE, DAMAGE TO PROPERTY, CLAIMS OF THIRD PARTIES OR ANIMALS, INCLUDING PERSONAL INJURY, DEATH OR SICKNESS ON ACCOUNT OF THE USE OF THE SEMEN OR THE ACTS OF THE STALLION OR MARE.

20. Release and Indemnification. Each Owner hereby releases and agrees to indemnify, defend and hold harmless DGS and DGS Representatives from any claim, charge, debt, demand, lawsuit, loss and expense, including but not limited to attorneys' fees, which may be imposed upon or incurred, directly or indirectly, as a result of the services performed pursuant to this Agreement, arising out of or attributable to the Semen, or resulting from the acts and behavior of Stallion or Mare. This indemnification shall extend to the successors and assigns of DGS and DGS's lessor.

21. Risk of Loss. Each Owner agrees to assume all responsibility for the Semen and the Stallion or Mare, even if in the physical possession of DGS, and shall bear all risk of loss or damage to the Semen, Stallion or Mare, whether by loss, disease, injury, infection, theft or by any cause whatsoever, and agrees to hold DGS (or any person employed by or associated with DGS) harmless on any and all damages associated therewith.

22. Inherent Risks and Assumption of Risk. Each Owner acknowledges there are inherent risks associated with equine activities, including breeding, and hereby expressly assumes all risks associated with participating in such activities. Mare Owner acknowledges that a Haul-In Insemination On-Farm service may be performed by either a DGS employee or a DGS facility veterinarian. The inherent risks include, but are not limited to the propensity of equines to behave in ways such as, running, bucking, biting, kicking, shying, stumbling, rearing, falling or stepping on, that may result in an injury, harm or death to persons on or around them; the unpredictability of equine's reaction to such things as sounds, sudden movement and unfamiliar objects, persons or other animals; certain hazards such as surface and subsurface conditions; collisions with other animals; the limited availability of emergency medical care; and the potential of a participant to act in a negligent manner that may contribute to injury to the participant or others, such as failing to maintain control over the animal or not acting within such participant's ability. **WARNING:** Under Ohio 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 equine activities, pursuant to section 2305.321.

23. Termination. DGS reserves the right to discontinue service at its sole discretion and may terminate this Agreement upon 10 days notice directed to the Stallion Owner and Mare Owner at the addresses below or any other manner reasonably calculated to provide notice. Such termination shall not prejudice or impair DGS's rights herein, including but not limited to its right to seek payment for any services rendered.

24. Miscellaneous. Each Party agrees to comply with all applicable federal, state and local laws, codes, regulations, rules, and orders. No services other than those expressly stated in this Agreement will be provided by DGS without an express, written and signed amendment to this Agreement. This Agreement is not assignable by Stallion Owner or Mare Owner. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining portions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. No failure by DGS in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. This Agreement shall be governed by the laws of the State of Ohio, and any legal action relating in any manner to this Agreement or the relations of the parties shall be brought in a state or federal court sitting in or encompassing Ottawa County, Ohio. The parties agree to submit to the personal jurisdiction of said courts and hereby waive any objection to venue and any claim that the action has been brought in an inconvenient forum. If it is determined that a brand inspection ticket is required in order to authorize any transfer or transport of Stallion or Mare under this Agreement, Each Owner hereby authorizes and appoints DGS to execute any required documents on behalf of such Owner. The Parties agree that a facsimile or other electronic transmission of a counterpart of this signed Agreement constitutes an original counterpart and shall be a valid and binding document for all legal and other purposes. This Agreement may be executed in multiple counterparts by the Parties. All of such counterparts shall be construed as if all signatures were appended to one document.

25. Authority of Mare Owner. The undersigned hereby individually represents and warrants that the undersigned is the true and lawful owner of the Mare or, if not the owner of the Mare, the undersigned is duly authorized by the Mare Owner to execute this Agreement on behalf of the Mare Owner. The undersigned represents and warrants that undersigned has the actual authority to make any and all decisions regarding the Mare and its veterinary care. All references in this Agreement to the Mare Owner shall be deemed binding upon the undersigned and the Mare Owner. The undersigned hereby agrees to indemnify, defend and hold harmless DGS for any and all claims made by the Mare Owner based upon a breach of the above representations and warranties.

26. Authority of Stallion Owner. The undersigned hereby individually represents and warrants that the undersigned is the true and lawful owner of the Stallion or, if not the owner of the Stallion, the undersigned is duly authorized by the Stallion Owner to execute this Agreement on behalf of the Stallion Owner. The undersigned represents and warrants that undersigned has the actual authority to make any and all decisions regarding the Stallion and its veterinary care. All references in this Agreement to the Stallion Owner shall be deemed binding upon the undersigned and the Stallion Owner. The undersigned hereby agrees to indemnify, defend and hold harmless DGS for any and all claims made by the Stallion Owner based upon a breach of the above representations and warranties.

