

**SAILING SMART NATURAL PARTNERS, LLC**

Reddick, FL      Pagosa Springs, CO

Oct. 1– April 30 return Contract to:  
8695 N.W. 120 Street  
Reddick, FL 32686  
Attn: Breeding Department

Email: [Stallions@Parelli.com](mailto:Stallions@Parelli.com)  
Web: [www.Parelli.com](http://www.Parelli.com)

After April 30 return Contract to:  
115 Cornerstone Drive (UPS & FedEx)  
P.O. Box 3729 (All other mail)  
Pagosa Springs, CO 81147  
Attn: Breeding Department

Contract No.: \_\_\_\_\_

**STALLION SERVICE CONTRACT  
FOR FROZEN SEMEN**

This Contract is made on this \_\_\_\_ day of \_\_\_\_\_, 2008 between Owners, Sailing Smart Natural Partners, LLC and Craig Johnson (hereinafter collectively referred to as "Stallion Owner") for the Stallion, "**Sailing Smart**" (AQHA #3170579; 1992 Sorrell by SMART CHIC OLENA out of SAILING DOLL by TOPSAIL CODY; "Stallion"); and

Name: \_\_\_\_\_ ("Purchaser")

Savvy Club Member:  Yes       No

Savvy Club Number: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

For breeding of a mare named: \_\_\_\_\_

Registration #: \_\_\_\_\_      Breed: \_\_\_\_\_

**1. FEES PAYABLE ON THE CONTRACT.**

**A. FROZEN SEMEN FEES.**

**1. Fees.**

This Contract is for the purchase of frozen semen. The total stud fee for "Sailing Smart" is Two Thousand Five Hundred Dollars (\$2,500.00) unless Purchaser is a Savvy Club member, in which case the total stud fee is One Thousand Two Hundred Fifty Dollars (\$1,250.00). A non-refundable booking fee (applied toward the stud fee) of Five Hundred dollars (\$500.00) is due with the return of this Contract. The balance of the stud fee is due before the semen is shipped.

## **2. Method of Payment.**

All payments should be made by check, money order or credit card (MasterCard, Visa or American Express). All checks should be made payable to: SAILING SMART NATURAL PARTNERS, LLC.

## **3. Effect of Late Payment or Non-Payment of Fees.**

The foal, including its breed registration papers, shall serve as collateral for any outstanding balance due and owing pursuant to the terms of this Contract with Stallion Owner having a lien against the foal and the registration papers until such time as any and all charges are paid in full, said lien to survive any transfer of possession or ownership.

## **B. SEMEN COLLECTION AND SHIPPING FEES.**

### **1. Arrangement for Payment by Purchaser.**

Collection and shipping fees are in addition to the purchase price of the frozen semen and are the responsibility of the Purchaser. Arrangement for payment of fees associated with collection and shipping and use of the shipping container *for each collection and shipment made pursuant to this Contract* must be made in advance directly with the Stallion Owner's veterinarian. The amount due for each domestic shipment is Two Hundred Seventy Five Dollars (\$275.00). The amount due for each international shipment, which is defined as any shipment sent to Purchaser outside of the lower forty-eight (48) contiguous United States, is \$\_\_\_\_\_, which reflects the cost for a domestic shipment plus additional expenses of international shipping, customs, and duty fees, dependent on the selected airline's rates. Contact information for Stallion Owner's veterinarian is as follows:

Peterson & Smith Equine Hospital  
Mr. Jose Madera, Manager, Reproduction Center  
4747 SW 60<sup>th</sup> Avenue  
Ocala, Florida 34474  
Telephone: (352) 237-6151  
Fax: (352) 237-0629  
Email: JMADE@petersonsmith.com

Peterson & Smith Equine Hospital will accept MasterCard, Visa or American Express. Purchaser assumes all risk of loss for the frozen semen once Stallion Owner or its veterinarian has placed frozen semen to be shipped to Purchaser with the carrier. Any loss or damage to the shipping container will be the responsibility of the Purchaser and will be charged to the Purchaser's credit card. The shipping container must be returned within five (5) days; failure to return the shipping container by the anticipated due date printed on the frozen semen tracking report will result in a charge of \$\_\_\_\_\_ against the Purchaser's credit card.

### **2. Place and Authorization for Shipment.**

Please note that frozen semen will only be shipped from Stallion Owner's veterinarian directly to the licensed veterinarian designated by Purchaser as set forth below:

Ship to: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Cell No.: \_\_\_\_\_  
Preferred Major Airport: \_\_\_\_\_  
Credit Card #: \_\_\_\_\_ Exp: \_\_\_\_\_  
Authorization Signature: \_\_\_\_\_

## **2. CONDITIONS AND AGREEMENTS OF THE PARTIES.**

### **A. PURCHASER AGREEMENTS AND ACKNOWLEDGEMENTS.**

1. Purchaser shall provide a copy of the mare's registration papers and pedigree with return of this signed Contract to the Stallion Owner. The Stallion Owner reserves the right to refuse any contract for breeding at its own discretion. Purchaser acknowledges that Stallion Owner shall not ship frozen semen from the Stallion until a fully executed copy of this Contract along with all appropriate addenda and required payments are received by Stallion Owner.
2. Purchaser shall ensure that the mare is in good health and in clean and sound breeding condition and provide Stallion Owner a breeding soundness report pursuant to the conditions of the Live Foal Guarantee set forth in this Contract. Furthermore, Purchaser shall have a licensed veterinarian properly test the mare so that her heat cycle may be anticipated and to advise the Stallion Owner of probable ovulation date in time for semen collection and/or transport.
3. Purchaser agrees to provide at least twenty-four (24) hours advance notice to Stallion Owner of the need for shipment of frozen semen and acknowledges that the ordering of frozen semen at the appropriate time is Purchaser's responsibility. If less than twenty-four (24) hours advance notice is given the request may be accommodated if reasonably possible, but at the sole discretion of the Stallion Owner. Shipping charges may be higher in "rush" cases.
4. In the event an international shipment of frozen semen is requested, Purchaser shall give at least one (1) week advance notice of the need for shipment of frozen semen and acknowledges that the ordering of frozen semen for international shipment at the appropriate time is the Purchaser's responsibility. An international shipment is defined as any shipment sent to a Purchaser outside of the lower forty-eight (48) contiguous United States. Shipping charges may be higher in "rush" cases.
5. Purchaser acknowledges that the shipment and use of frozen semen is subject to conditions beyond the control of the Parties, so the frozen semen may not be shipped in the time period or condition necessary to successfully breed the mare. Accordingly, the Purchaser hereby releases the Stallion Owner and its veterinarian from all liability with respect to timeliness of the frozen semen shipment and Purchaser assumes all risk of loss once Stallion Owner has placed frozen semen to be shipped to Purchaser with the selected carrier. Purchaser further understands that the Stallion is an exhibition horse. During

the exhibition season there may be times that the Stallion is occupied with show obligations. Planning ahead for semen needs will facilitate efficient delivery of frozen semen.

6. Purchaser shall pay all transportation charges of frozen semen within the USA and all veterinary expenses associated with collection shall be paid in full prior to any shipment of frozen semen made pursuant to this Contract. International shipments, as herein defined, will be charged additional shipping, customs, and duty fees that exceed the normal cost within the domestic United States, as set forth in section 1.B.1. of this Contract, the additional cost of such shipment dependent on the selected airline's rates.
7. Purchaser shall have a licensed veterinarian with considerable experience in mare reproduction, frozen semen handling, and artificial insemination administer all frozen semen provided by Stallion Owner. Purchaser acknowledges that although Stallion Owner will make reasonable efforts to achieve conception, it is highly recommended that only mares that are reproductively normal be used for breeding with frozen semen.
8. Purchaser shall inseminate the full dose contained in a shipment, consisting of all straws as determined by Stallion Owner's veterinarian in its sole discretion. A dose of frozen semen is defined as a single insemination unit which includes a minimum of \_\_\_\_\_ total sperm. If, however, the Purchaser obtains excess frozen semen, the excess frozen semen shall be destroyed by the Purchaser's veterinarian after the birth of the live foal and before a breeding certificate can be issued.
9. Purchaser shall have a licensed veterinarian complete, sign and return the Insemination Certificate provided by Stallion Owner that is made part of the Semen Collection Certificate sent with each shipment of frozen semen. A copy of the completed Insemination Certificate shall be sent to Stallion Owner within ten (10) days of such insemination for each heat cycle, if applicable. Purchaser will be responsible for sending a copy of the completed Insemination Certificate to the American Quarter Horse Association ("AQHA") within fifteen (15) days of such insemination for each heat cycle, if applicable, as indicated at the bottom of the Insemination Certificate form.
10. Purchaser agrees to artificially inseminate mare for at least three (3) successive heat cycles unless first determined to be in foal. Where a subsequent shipment is necessary, Purchaser shall have returned the shipping container and paid all new shipping and collection fees prior to Stallion Owner sending the subsequent frozen semen shipment.
11. In the event Purchaser requests frozen semen to be shipped internationally, as defined herein, Purchaser understands that six (6) doses of frozen semen will be sent in one shipment, consisting of all straws in each dose as determined by Stallion Owner's veterinarian in its sole discretion, and such shipment to include six (6) Insemination Reports to be completed and sent out as set forth in Paragraph 9 above. Purchaser understands that it is Purchaser's responsibility to maintain the frozen semen doses under appropriate conditions in order to administer \_\_\_\_\_ doses for each successive heat cycle. The

shipping of all six (6) doses in one international shipment is done to prevent Purchaser from repeatedly incurring the additional expenses associated with shipping frozen semen internationally and this does not in any way alter Purchaser or Stallion Owner's obligations as set forth in this Contract unless otherwise stated herein.

12. Purchaser shall have a licensed veterinarian check whether the mare is in foal between forty-five (45) and sixty (60) days after the last breeding date. Purchaser shall notify Stallion Owner in writing by a licensed veterinarian of the mare's pregnancy condition (the "pregnancy report") within ten (10) days.
13. Purchaser shall pay all veterinarian charges and all expenses in connection with the mare.

## **B. STALLION OWNER AGREEMENTS AND ACKNOWLEDGEMENTS.**

1. Stallion Owner shall provide DNA verification and registration of the Stallion in accordance with AQHA rules.
2. Stallion Owner shall provide all pertinent documentation for the registration of the resulting offspring after all expenses have been paid in full and upon notification of the birth of the foal and details to include date of birth, sex and color, within thirty (30) days after notification of birth.
3. Stallion Owner shall complete and file with the AQHA an annual AQHA Stallion Breeding Report that reflects the breeding of Purchaser's mare by Stallion "Sailing Smart" for each year that frozen semen is shipped pursuant to this Contract. However, Stallion Owner shall not include Purchaser's mare on the annual AQHA Breeding Report unless Purchaser has sent and Stallion Owner has received an Insemination Certificate that is completed and signed by Purchaser's licensed veterinarian as set forth herein. Stallion Owner shall pay all fees and expenses associated with filing of the report.
4. Stallion Owner shall guarantee that all resulting foals from these breedings will pass the stallion side of the parental verification test.
5. Stallion Owner shall use reasonable efforts to ship frozen semen in a timely manner upon receipt of a shipment request by 12:00 noon prior to the day of shipment or 12:00 noon on the day that is one (1) week in advance of the date needed in the case of international shipment of frozen semen, as herein defined. Consequently, Stallion Owner shall complete and sign all authorizations and/or releases required by its veterinarian for the purpose of shipping frozen semen, if applicable.
6. Stallion Owner's veterinarian will provide detailed thawing and usage instructions for Purchaser's licensed veterinarian.
7. Stallion Owner will ship \_\_\_\_\_ doses (as defined above) per cycle of frozen semen at Purchaser's expense. Each shipment will contain the correct amount of straws required for each breeding dose as determined by Stallion Owner's

veterinarian in its sole discretion. There will be a maximum of three (3) cycles, per contract, per breeding season.

8. In the event Purchaser requests frozen semen to be shipped internationally, as herein defined, Seller will ship one (1) shipment of six (6) doses (as defined above) at Purchaser's expense, each dose consisting of all straws required for each breeding dose as determined by Stallion Owner's veterinarian in its sole discretion. Additionally, Stallion Owner will provide six (6) Insemination Certificates with the one (1) international shipment of frozen semen, modifying the agreement set forth in Paragraph 9 of this sub-section below.
9. Stallion Owner will provide Purchaser with each shipment of frozen semen an Insemination Certificate, which is made part of the Semen Collection Certificate already completed and signed by Stallion Owner's licensed veterinarian.

### **3. USE OF EMBRYO TRANSFER TECHNOLOGY.**

If embryo transfer is being used, Purchaser must notify Stallion Owner, and if more than one embryo results from a breeding during embryo harvesting, Purchaser must pay an additional Stallion stud fee to Stallion Owner within sixty (60) days of confirmed pregnancy in order to receive a certificate for the additional foal. However, if mare has a twin birth resulting in two (2) foals that stand and nurse, an additional breeding certificate will be issued.

### **4. LIVE FOAL GUARANTEE.**

#### **A. CONDITIONS OF THE GUARANTEE.**

Should the mare not settle in the initial breeding season following insemination over three (3) successive heat cycles, abort, or not have a live (standing or nursing) foal, the Purchaser will be entitled to one renewal of this Contract during the following year only for the same mare, and only for non-international shipments of frozen semen, subject to the following conditions:

1. Purchaser shall provide a veterinary certificate of clean uterine culture not older than 60 days, taken when the mare is in heat and submitted to a recognized laboratory showing the mare to be in good breeding condition and free from infection (the "breeding soundness" report). The veterinarian must also certify that the mare's immunization for rhino pneumonitis and equine herpes type I have been kept current.
2. Stallion Owner shall be notified of the abortion or death of the foal within two (2) days by phone and within one (1) week in writing. Such written notice shall be accompanied by a signed statement from a licensed veterinarian on the veterinarian's own practice letterhead clearly stating the name of the mare, date of the loss of pregnancy or death of the foal and that the foal did not stand and nurse prior to death (the "loss of pregnancy" report).
3. Purchaser shall have provided all required Breeding Reports: breeding soundness, Insemination Certificate, and pregnancy or loss of pregnancy report (if applicable), according to the instructions contained herein. **If these**

**reports are not received by Stallion Owner in a timely manner as instructed, then all guarantees, refunds, breedings, or registration possibilities are null and void.**

4. Purchaser shall have properly cared for the pregnant mare, which care includes, but shall not necessarily be limited to, proper feeding and nutrition, regular de-worming with products approved for pregnant mares, vaccinations that are customary in the Purchaser's geographical area, and proper intervention during foaling as necessary.
5. In case of a return breeding the second season, shipping fees and container fees are payable again. If the same mare is examined by a licensed veterinarian and tests not to be breeding sound, the Purchaser shall submit a request to substitute an alternate mare to breed, along with a second written statement from the veterinarian attesting to the breeding state of the alternate mare (an alternate "breeding soundness" report). The guarantee shall be deemed complete with the mare being checked in foal after rebreeding.

#### **B. FULFILLMENT OF THE CONTRACT.**

This Contract with Live Foal Guarantee shall be deemed fulfilled upon the birth of a live foal as herein defined or the failure of the mare to produce a live foal following the initial and consecutive breeding season of the shipment of frozen semen pursuant to the terms set forth herein.

#### **5. NO GUARANTEE FOR INTERNATIONAL SHIPMENTS.**

In the event that Purchaser requests an international shipment of frozen semen, as herein defined, there will be no live foal guarantee. Rather, Stallion Owner will provide six (6) doses of frozen semen, and if, after Purchaser's veterinarian has administered all six (6) doses as set forth herein, Purchaser's mare does not settle in the initial breeding season, then Purchaser shall have the option of purchasing four (4) additional doses of frozen semen at the price of \_\_\_\_\_, as available and under the same agreements and acknowledgements as contained herein, including the obligations as set forth in section 4.A.1-3. above. The Contract without Live Foal Guarantee shall be deemed complete upon Stallion Owner's placement with the carrier for international shipment the six (6) doses of frozen semen, unless Purchaser has rightfully exercised the option to purchase four (4) additional doses of frozen semen from Stallion Owner pursuant to the agreements set forth herein, and then, upon Stallion Owner's placement with the carrier for international shipment the four (4) additional doses of frozen semen.

#### **6. DISCLAIMER OF EXPRESS OR IMPLIED WARRANTIES.**

Except for the Live Foal Guarantee, WHICH IS NOT A WARRANTY, but only a right to receive additional frozen semen under the named conditions herein, NO WARRANTIES, EITHER EXPRESS OR IMPLIED, WHATSOEVER, ARE GIVEN FOR THE BREEDING OBTAINED BY THIS CONTRACT OR THE FROZEN SEMEN SOLD PURSUANT TO THIS CONTRACT. NO GUARANTEE OF DELIVERY OF SHIPPED FROZEN SEMEN WITHIN A CERTAIN TIME PERIOD OR GUARANTEE THAT SHIPPED FROZEN SEMEN WILL SAFELY REACH THE INSEMINATION POINT OR WILL BE THAWED WITHOUT LOSING SOME OF ITS INTEGRITY, QUALITY OR

CHARACTERISTICS IS GIVEN. FURTHER, STALLION OWNER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE BREEDING OBTAINED BY THIS CONTRACT OR THE FROZEN SEMEN SOLD PURSUANT TO THIS CONTRACT INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE BREEDING OBTAINED BY THIS CONTRACT AND THE FROZEN SEMEN IS BEING SOLD "AS IS" AND "WITH ALL FAULTS". PURCHASER ACKNOWLEDGES THE LIMITATIONS HEREOF BY THE EXECUTION OF THIS CONTRACT.

**7. LIMITATIONS ON LIABILITY AND ASSUMPTION OF RISK.**

**A. WAIVER OF LIABILITY.**

Purchaser agrees to hold Stallion Owner, its veterinarian and their collective agents, officers, and employees harmless for any loss or damage. Stallion Owner, its veterinarian and their collective agents, officers, and employees shall not be liable for any injury, sickness, disease, infection or death of the mare or her offspring arising from the exercise of the breeding privileges granted herein or by any cause whatsoever. The Parties agree that Purchaser shall assume all responsibility for condition of the mare and shall bear all risk of loss or damage to the mare whether by death, disease, injury, infection or otherwise, and by any cause whatsoever, and therefore, agrees to hold harmless the Stallion Owner, its veterinarian and their collective agents, officers, and employees. Purchaser specifically understands and agrees that Stallion Owner, its veterinarian and their collective agents, officers, and employees make no warranties or guarantees, express or implied, as to the fertilizing capacity of any frozen semen provided by Stallion Owner.

**B. ASSUMPTION OF RISK.**

Purchaser acknowledges that there are inherent risks associated with equine activities and hereby expressly assumes all risks associated with participating in such activities.

**WARNING**

**UNDER FLORIDA LAW, AN EQUINE ACTIVITY SPONSOR OR EQUINE PROFESSIONAL IS NOT LIABLE FOR INJURY TO, OR THE DEATH OF, A PARTICIPANT IN EQUINE ACTIVITIES RESULTING FROM THE INHERENT RISKS OF EQUINE ACTIVITIES. (Fla. Stat., Chapter 773.04).**

**8. LIMITATIONS ON ASSIGNMENTS AND SUBSTITUTIONS.**

Purchaser shall not sell or assign this STALLION SERVICE CONTRACT FOR FROZEN SEMEN or any rights or duties set forth herein without prior written consent of Stallion Owner. Furthermore, there shall be no substitution of mares without the expressed written consent of Stallion Owner. Any attempt to assign or substitute without prior written consent of Stallion Owner will terminate this Contract and release Stallion Owner from all obligations contained herein.

**9. STALLION AVAILABILITY AND REFUND OF PAYMENT.**

Should the Stallion die, become unfit for breeding or is sold prior to Purchaser getting a live foal from this breeding, Purchaser will receive a refund for the stud fee or the booking deposit only, if already paid, assuming there no longer exists any frozen semen from the Stallion suitable for the purpose of fulfilling the terms and conditions of this Contract.

**10. MISCELLANEOUS TERMS AND CONDITIONS.**

**A. EFFECTIVE DATE OF CONTRACT.**

This Contract is not valid unless completed in full. When the Purchaser signs and returns the Contract and booking fee to Stallion Owner, Stallion Owner will notify Purchaser within five (5) days of Stallion Owner's approval. Upon notification, it will become a binding contract on both parties subject to the terms and conditions contained herein.

**B. ENTIRETY OF AGREEMENT.**

This Contract constitutes the entire agreement between the Parties. No other agreements, promises, or representations, verbal or implied, are included herein unless specifically stated in this written Contract. In the event one or more parts of this Contract are found to be invalid or unenforceable, the other portions hereof shall be deemed in full force and effect. This Contract cannot be amended except in writing and signed by both Parties.

**C. LITIGATION ARISING OUT OF THIS CONTRACT.**

**1. Governing Law.**

All terms of this Contract shall be governed by and construed in accordance with the laws of the State of Florida. Purchaser irrevocably and unconditionally submits to the personal and subject matter jurisdiction of the Florida Courts. Venue for any disputes arising hereunder shall be in Ocala, Marion County, Florida.

**2. Attorneys Fees and Costs.**

The prevailing party shall be entitled to all legal fees, costs and expenses should a dispute arise between the Parties with regard to this Contract, except that the Purchaser hereby agrees to pay all legal costs and expenses, including attorney's fees, that are incurred by Stallion Owner in defending any claims for which the Purchaser has agreed to release, discharge, indemnify and hold harmless Stallion Owner, its agents, officers or employees.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Purchaser/Agent

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorized Representative for Stallion  
Owner

\_\_\_\_\_  
Print Name