



BREEDING CONTRACT

This Breeding Contract (this "*Contract*") is made as of _____, 2007 (the "*Effective Date*") by and between Gypsy Vanner Import Professionals, L.P., a Texas limited partnership ("*Gypsy*") and _____ ("*Owner*").

WHEREAS, Owner is the owner of the mare identified in the attached Exhibit A (the "*Mare*") and desires to engage Gypsy to provide breeding services pursuant to the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Contract and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows.

1. **Services.** Gypsy hereby agrees to provide Owner with the breeding service of the stallion identified in the attached Exhibit B (the "*Stallion*") until such time as one foal is born to the Mare, or until such time as specified by this Contract.

2. Fees and Payment.

a. **Booking Fee.** Owner shall pay to Gypsy a non-refundable booking fee of \$_____ (the "*Booking Fee*"). The Booking Fee is due and payable to Gypsy upon the execution of this Contract.

b. **Stud Fee.** Owner shall pay to Gypsy a non-refundable stud fee of \$_____ (the "*Stud Fee*").

c. **Live Cover.** In the event that the Mare is bred by live cover, Owner shall pay the following:

i. all costs and expenses of transporting the Mare to or from Gypsy's facilities at Magnolia Ranch in Katy, Texas or Gypsy MVP Ranch in Bellville, Texas (either, the "*Ranch*").

ii. all veterinary costs and expenses ("*Vet Costs*") incurred by Gypsy in the routine care of the Mare as provided in Section 6.

iii. a non-refundable boarding fee (the "*Boarding Fee*") in the amount of \$____ per day.

d. **Shipped Semen.** In the event that the Mare is bred by shipped semen, Owner shall pay the following:

i. a \$_____ container deposit (the "*Deposit*") upon execution of this Contract and all expenses of returning the container to Gypsy.

ii. all veterinary costs associated with the insemination, pregnancy and birth of the Mare.

e. **Payment.** Payment for, as applicable, the Stud Fee, Vet Costs as provided in Section 2(c)(ii), Boarding Fee and Deposit will be due and payable, in full, thirty (30) days from the invoice date.

3. **Live Foal Guarantee.** Subject to Section 3(b), Owner shall be entitled to re-breed the Mare until the Mare delivers a foal that stands and nurses for a period of three (3) days. Notwithstanding the above, if the Mare does not deliver a live foal within _____ years of the execution date of this Contract, this Contract shall terminate.

4. Condition of Mare.

a. **Information to be Provided.** Owner agrees to provide Gypsy with all information that Gypsy may request regarding the Mare's ownership, description, pedigree, parentage verification, produce, performance, health or conformation. Upon execution of this Contract, Owner shall deliver the following documents to Gypsy:

i. if applicable, the Mare's certificate of registration;

ii. a veterinarian's health certificate as to the general and reproductive health and soundness of the Mare, including the results of a uterine culture;

iii. worming and immunization records;

iv. a negative Coggins test dated no earlier than [six (6)] months prior to the date of this Contract.

b. Refusal. This Contract is subject to acceptance of the Mare by Gypsy. If the Mare is not acceptable to Gypsy, at its sole option, Gypsy shall return the Booking Fee to Owner and this Contract shall be void.

5. Shipped Semen. In the event that the Mare is to be bred by shipped semen the following terms and conditions shall apply:

a. Notice. Owner shall give Gypsy seven (7) days advance notice of a request for shipment.

b. Responsibility. Gypsy assumes responsibility only to deliver live semen in viable condition at the time of delivery to the Owner. Owner shall arrange and pay for insemination of the Mare and all associated veterinary costs and expenses.

6. Live Cover. In the event that the Mare is to be bred by live cover the following terms and conditions shall apply:

a. Notice. Owner shall give Gypsy advance notice of shipment of the Mare to the Ranch.

b. Settling. Gypsy agrees to use its best efforts to try to settle the Mare and shall have sole discretion in determining the best method of breeding such mare. If, however, the Mare does not settle, Gypsy shall be held harmless.

c. Mare Health Documents. If Owner does not present the documents specified in Section 5(a) to Gypsy upon the Mare's arrival at the Ranch, Gypsy shall have a veterinarian make proper tests and evaluations at Owner's expense.

d. Veterinary Care. Gypsy shall have complete discretion as to the necessity of veterinary examinations and care for the Mare, including, but not limited to, farrier and worming treatment. Gypsy

makes no representations or warranties to Owner with respect to the Mare, its health, registration or otherwise.

e. Live Foal Guarantee. The live foal guarantee provided hereunder is expressly contingent upon Owner properly caring for the pregnant Mare. Such proper care shall include, but is not limited to, proper feeding and nutrition, regular deworming with products approved for pregnant mares, vaccinations that are customary in Owner's geographical area, and proper intervention during foaling if necessary.

7. Substitute Stallion. Should the Stallion be sold, die, or become unfit for service, Owner may breed the Mare to another stallion owned by Gypsy if agreed to in a writing signed by both parties hereto.

8. Risk of Loss; Insurance. Gypsy shall not be liable for any loss, damage, injury, death or illness of the Mare. The risk of any loss associated with the Mare and all liability occurring in connection therewith shall be the sole responsibility of Owner. It is Owner's choice and responsibility to obtain insurance coverage for the Mare. Owner shall assume all responsibility for the condition of the Mare and shall bear all risk of loss or damage to the Mare whatsoever whether by death, disease, injury, infection or otherwise, and by any cause whatsoever, including inappropriate, untimely, or negligent insemination or failure of insemination, and therefore shall indemnify Gypsy as provided in Section 11.

9. Owner's Representations and Warranties. Owner represents and warrants the following: (a) Owner has right and title to the Mare; (b) Owner has disclosed to Gypsy all information in Owner's possession relating to the health, parentage, age, breed, disposition and other such attributes of the Mare; and (c) the Mare shall be in sound breeding condition and free from any infection or disease that may interfere with the Mare's breeding. Owner agrees that the representations and warranties shall survive the completion of the transactions contemplated hereby. Owner agrees to notify Gypsy promptly in writing of any events or circumstances that may cause the foregoing representations and warranties to be inaccurate or breached in any way.

10. Term and Termination. Either party may terminate this Contract at any time by giving the other party written notice of termination ("*Termination*

Notice”). Sections 10, 11 and 12 shall survive termination of this Contract.

11. **Indemnification.** Owner shall defend, indemnify and hold harmless Gypsy from and against any and all losses, damages, liabilities and claims, and all fees, costs and expenses of any kind related thereto (including, without limitation, reasonable attorneys’ fees), arising out of, based upon or resulting from (i) any act by or omission of Owner or its agents or representatives relating to or affecting the Mare, (ii) any inaccuracy or alleged inaccuracy, asserted by Gypsy or any third party in a court action, of any representation or warranty made by Owner pursuant to this Contract; or (iii) questions of title to the Mare and disputes concerning identity, health, soundness, engagements, pregnancy status and or produce record of the Mare.

12. **Arbitration.** Except with respect to any matters set forth herein with respect to which the parties hereto may pursue injunctive relief in any court of competent jurisdiction, each party hereto agrees that arbitration, as conducted by and pursuant to the procedures set forth by JAMS (as currently in effect or such later version as may then be in effect) shall be the sole and exclusive method for resolving any claim, controversy or dispute arising out of or relating to the rights and obligations of the parties under this Contract, whether such claim arose or the facts on which such claim is based occurred prior to or after the execution and delivery of this Contract. Nothing in this Section shall prohibit any party hereto from instituting litigation to enforce any final judgment, award or determination of the arbitration. Each party hereto further agrees that each other party hereto may initiate litigation in any court of competent jurisdiction to execute any judicial judgment enforcing or not enforcing any award, judgment or determination of the arbitration.

13. General Provisions

a. **Entire Agreement, Binding Effect.** This Contract contains the entire agreement and understanding between the parties and it supersedes all prior or agreements, understandings, and representations, written or oral, relating to the subject matter of this Contract. This Contract shall be binding upon the parties and their representatives, successors, and assigns.

b. **Waiver of Jury Trial.** Each party hereto hereby waives its rights to a jury trial of any claim or cause of action based upon or arising out of this Contract. The scope of this waiver is intended to be all-encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including, without limitation, contract claims, tort claims, breach of duty claims, and all other common law and statutory claims.

c. **Governing Law; Venue.** This Contract shall be construed in accordance with and governed by the laws of the State of Texas, without giving effect to the choice of law provisions thereof. Buyer agrees that any lawsuit or other legal proceeding between the parties shall be brought only in the Civil District Courts of Harris County, Texas or the United States District Court for the Southern District of Texas, Houston Division. The parties hereby consent to the personal and exclusive jurisdiction and venue of said court.

d. **Costs of Dispute.** In the event a dispute arises under this Contract, the prevailing party will be entitled to all reasonable costs and expenses incurred by it in connection with such dispute (including, without limitation, all reasonable attorney’s fees and costs incurred before and at any trial, arbitration or other proceeding), as well as all other relief granted in any suit or other proceeding.

e. **No Rights in Third Parties.** Unless otherwise expressly stated herein, this Contract shall not create any rights in or inure to the benefit of any third parties.

f. **Notices.** Any notice required or permitted to be given under this Contract shall be in writing and shall either be personally delivered or sent postage prepaid, by certified mail, regular mail, personal delivery, courier service, facsimile transmission or email, to the address of the parties indicated below or to such other address as either party shall designate by notice to the other party. Such notice shall be effective when actually received or two days after deposit in the U.S. Postal Service, whichever occurs first.

Gypsy:

Gypsy Vanner Import Professionals, L.P.
1834 FM 1463
Katy, Texas 77494
Phone: _____
Fax: 281-693-3022
Email: _____

Consignor:

Phone: _____
Fax: _____
Email: _____

g. Taxes. Each party shall be responsible for the payment of any and all federal, state, or local taxes which may arise or be imposed as the result of its performance under this Contract or as the result of the receipt of any compensation or other funds under this Contract, if any.

h. Waiver. No failure by either party to insist upon the strict performance of any term hereof or to exercise any right, power, or remedy following a

breach of this Contract or any term or condition hereof, shall constitute a waiver of any such term or of any such breach. No waiver of any particular breach shall affect or alter this Contract, which shall continue in full force and effect with respect to any other then existing or subsequent breach.

i. Severability. If any provision of this Contract is determined by a court of competent jurisdiction to be in violation of any applicable law or otherwise invalid or unenforceable, such provision will, to such extent as it is determined to be illegal, invalid or unenforceable under such law be deemed null and void, but this Contract will otherwise remain in full force and effect.

j. Multiple Counterparts. This Contract may be executed in a number of identical counterparts and each of such shall be deemed for all purposes to be an original, all of which shall constitute, collectively, this Contract.

k. Section Headings. The section headings designations used in this Contract are for convenience of reference only, and shall not in any way be construed to modify or restrict any of the terms or provisions hereof.

IN WITNESS WHEREOF, this Agreement has been executed the day and year first above written.

GYPSY:

Gypsy Vanner Import Professionals, L.P.

By: Magnolia Ranch, LP, *its general partner*

Name: _____

Title: _____

Date: _____

CONSIGNOR:

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A
Description of Mare

The Mare listed below shall be bred under the terms and conditions of the Contract.

Name or Registered Name: _____

Registration # (if applicable): _____

Registered with (if applicable): _____

Barn Name: _____

Age: _____

Breed: _____

Height (in hands): _____

Color and Markings: _____

EXHIBIT B
Description of Stallion

The Stallion listed below shall be bred under the terms and conditions of the Contract.

Name or Registered Name: _____

Registration # (if applicable): _____

Registered with (if applicable): _____

Barn Name: _____

Age: _____

Breed: _____

Height (in hands): _____

Color and Markings: _____