

“DR LARGE” STALLION SERVICE AGREEMENT

THIS AGREEMENT is made and entered into as of _____, by and between Carmalley Valley Farm, LLC and _____ (hereinafter “Purchaser(s)”).

W I T N E S S E T H:

For and in consideration of the premises, covenants and conditions set forth below, the parties agree as follows:

1. Purchase of Breeding Nomination. Seller now sells, assigns and reserves a 2015 breeding nomination (the “Nomination”) to the thoroughbred stallion, **DR LARGE** (2006), (the “Stallion”) to Purchaser(s), and Purchaser(s) hereby buys the Nomination from Seller.
2. Mare to be Bred. Purchaser(s) agrees to breed the thoroughbred broodmare _____, to the Stallion in the 2015 breeding season as set by Seller using the Nomination. The parties agree that no other mare may be substituted for the above named Mare without the prior written consent of Seller. Prior to the breeding, Purchaser shall complete and present to Seller the Mare Information Sheet provided by Seller, a form of which is attached hereto and a copy of said Mare’s Jockey Club Registration papers.
3. Stud Fee. As payment in full for the Nomination, Purchaser(s) agrees to pay to Seller the sum of \$2,500 when the foal stands and nurses. If said mare does not produce a live foal, that can stand and nurse, the Purchaser must provide to the Seller a satisfactory certificate by a licensed veterinarian within ten (10) days of the date said Mare produces a dead foal, aborts or dies, in lieu of the stud fee. If the mare produces twins and the Purchaser (s) wishes to register said twins, the stud fee must be paid. Purchaser grants the Seller or any third party permission to have the Seller’s veterinarian perform an ultrasound and/or rectal examination to confirm pregnancy and a single fetus so that live foal insurance can be secured. This exam may be performed at any time during pregnancy.
4. Joint and Several Obligation. In the event the Nomination is purchased by two or more entities from the Seller hereunder, such Purchasers hereby agree and acknowledge that this Agreement is a joint and several obligation, each being jointly, as well as severally, indebted to the Seller for payment of the Stud Fee, and/or any other amounts due Seller hereunder.
5. Security Interest; Certificates of Registration. In order to secure payment of the purchase price hereunder, Purchaser hereby grants to Seller and Seller hereby retains a security interest in and to the foal to be produced, whether in utero or after birth, the stallion service certificate applicable to said breeding, and any and all registration papers applicable to said foal. Pursuant thereto, Seller, or the Stallion Manager as his agent, shall be permitted to retain said stallion service certificate or procure any and all registration papers applicable to said foal until all obligations of Purchaser to Seller hereunder are performed in full. Purchaser further appoints Seller, or his designee, as Purchaser’s attorney-in-fact for the purpose of executing on Purchaser’s behalf and filing such financing statement (UCC-1 or equivalent) as Seller may deem appropriate covering Purchaser’s Interest in said foal, the stallion service certificate, and any and all registration papers applicable to the foal. Purchaser agrees that Seller or its agent has the right to take possession of the foal and sell the foal in order to satisfy all obligations owed to Seller hereunder.
6. Presentation of Mare. Purchaser agrees that the Mare shall be healthy and in sound breeding condition upon presentation for breeding and Purchaser shall, upon such presentation, furnish to the Seller a veterinary certificate to that effect along with the Breeding Shed Form. The Seller has the right to refuse to permit the breeding of the Stallion if and when, in Seller’s opinion, such breeding would be detrimental to the health of the Stallion or the safety of Seller’s farm personnel or other persons in attendance. In the event of such occurrence, Purchaser has the continuing duty to present the mare as set forth herein unless otherwise released in writing of this obligation by

the Seller. Moreover, Purchaser agrees to abide by the breeding shed requirements and procedures in effect when the Mare is presented.

7. Refusal of Right to Breed. It is hereby understood and agreed by the parties hereto that the Seller and/or its agents and/or employees hereby retain the absolute right to refuse to allow the Purchaser(s) to breed the Mare to the Stallion when, after an inspection by the Seller and/or its agents or employees, and in the Seller's sole discretion, such Mare is determined to be not acceptable for breeding to the Stallion due to some physical impairment or deformity. In the event the Seller exercises this right of refusal no Stud Fee shall be due or payable.

8. Liquidated Damages. SHOULD THE PURCHASER FAIL TO PRESENT THE MARE IN ESTROUS, HEALTHY AND IN SOUND BREEDING CONDITION DURING THE SET BREEDING SEASON, AND/OR FAIL TO PROVIDE THE REQUIRED VETERINARY CERTIFICATE, MARE INFORMATION SHEET OR A COPY OF THE JOCKEY CLUB REGISTRATION PAPERS, SO THAT THE MARE CANNOT BE BRED, OR SHOULD THE MARE BE BRED TO ANY OTHER STALLION IN THE SUBJECT BREEDING SEASON, PURCHASER SHALL BE IN DEFAULT HEREUNDER AND LIABLE TO SELLER FOR LIQUIDATED DAMAGES IN AN AMOUNT EQUAL TO THE STUD FEE. SUCH DAMAGES SHALL BE DUE AND PAYABLE WITHIN 30 DAYS OF THE DEFAULT, UNLESS A RELEASE FROM THIS AGREEMENT HAS BEEN OBTAINED FROM SELLER IN WRITING. SELLER SHALL BE UNDER NO OBLIGATION TO FURNISH SUCH A RELEASE EXCEPT AS MAY BE PROVIDED IN PARAGRAPH 9 BELOW.

9. Release From Agreement. If after the breeding, the Mare should die or become unfit or unable to breed, Purchaser shall submit a satisfactory veterinary certificate attesting to this fact within seven (7) days of determination by the attending veterinarian. Upon receipt and approval of said certificate, by a licensed veterinarian, accompanied by Purchaser's written request to be released from this Agreement, Seller will release Purchaser from this Agreement, and will so notify Purchaser. IF AFTER THIS RELEASE THE MARE IS SUBSEQUENTLY BRED TO ANY OTHER STALLION IN THE SAME BREEDING YEAR WITHOUT SELLER'S WRITTEN PERMISSION, PURCHASER AGREES TO IMMEDIATELY PAY TO SELLER THE STUD FEE HEREINABOVE SET OUT WITHOUT REGARD TO ANY OTHER TERMS OR WAIVERS HEREIN SET FORTH.

10. Non-Assignability of Agreement and Sale of Mare and No Refund Provision. This contract shall not be assigned or transferred by Purchaser without the prior written permission of Seller. Further, if the Mare is sold, catalogued for sale, exported from the United States or if payment in full is not made within 60 days of the due date herein the Stud Fee, if unpaid, shall immediately become due and payable and NO REFUND of said Stud Fee shall be due from Seller to Purchaser, or to any subsequent purchaser, under any circumstances. Purchaser shall notify Seller, in writing, at least ten (10) days prior to the sale of the Mare or entry of the Mare in any bloodstock sale.

11. Stallion Unavailability. Should the Stallion die, be sold, be removed from New York, or become unfit for service for the remainder of the subject breeding season before having been bred to Purchaser's Mare, then this Agreement is and shall be null and void and neither party shall have any obligation to the other hereunder. In the event the Stallion's book must be reduced because of injury, disease or if the Seller determines that his book be reduced, he will breed only those mares as provided for in the reduction provision of the syndicate agreement or mares as determined by a syndicate vote. If the Purchaser's mare does not come under the reduction provision of the syndicate agreement, or is not included as an eligible mare as determined by a syndicate vote, then this contract shall be null and void. If, however, the Mare was covered by said Stallion, prior to the book reduction and she conceives this contract remains in force. If the Mare is bred and does not conceive and the Stallion's book is subsequently reduced, the Seller will not be obligated to re-breed the Mare.

12. Risk of Loss for Mare. Seller shall not be liable or responsible for any accident or injury to, or disease Incurred by, the Mare. Purchaser shall bear the risk of any accident, injury or loss as to the Mare.

13. Bookkeeping, Interest and Attorney's Fees. Purchaser shall pay the sum of one and one-half (1-1/2%) percent per month as an interest charge (18% annual percentage rate) on any payment which remains unpaid for 30 days past the date due as agreed herein, unless limited by applicable law, in which event the interest on such unpaid

sums shall be the maximum amount allowed by law. If, upon default of Purchaser, collection of the sums due hereunder is turned over to Seller's attorneys, Purchaser agrees to pay costs and reasonable attorneys' fees incurred by Seller to the fullest extent allowed by law.

14. Execution by Agent. In the event this Agreement is executed by an agent of the Purchaser(s), authorized or otherwise, such agent hereby unconditionally guarantees the full and prompt payment of the Stud Fee as well as the full and prompt performance by the Purchaser(s) of any and all other obligations hereunder.

15. Binding. THIS AGREEMENT SHALL NOT BE BINDING UNTIL THE AGREEMENT SIGNED BY PURCHASER HAS BEEN RECEIVED BY THE SELLER. IF RECEIPT BY THE SELLER IS LATER THAN FIFTEEN DAYS OF THE DATE FIRST WRITTEN ABOVE, THE SELLER, AS HIS SOLE DISCRETION, MAY REFUSE TO HONOR THIS CONTRACT. THE SELLER'S FAILURE TO SIGN AND RETURN THIS CONTRACT TO THE PURCHASER WITHIN 21 DAYS OF RECEIPT WILL SERVE AS ADEQUATE NOTICE OF THE SELLER'S RIGHT TO REFUSE TO HONOR THIS CONTRACT. THIS AGREEMENT SHALL BE BINDING UPON THE HEIRS, SUCCESSORS AND ASSIGNS OF THE SELLER AND THE PURCHASER.

16. Jurisdiction, Venue and Controlling Law. The parties agree that jurisdiction and venue for any action arising as a result of this Agreement shall be in Albany County, New York, and this Agreement shall be construed pursuant to the laws of the State of New York.

17. Time of the Essence. Time shall be of the essence in the performance of the duties and obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have affixed their hands as of the day, month and year first above written.

PURCHASER(S):

SELLER:

By: _____

By: _____

NOTE: Please make checks payable to: **Carmalley Valley Farm, LLC.**

Contact info: Carmalley Vallley Farm LLC/Tom Roche 314-954-2223 email: trocheone@gmail.com

Farm info: Banahan Farms/Roger Moorehead 231 Rupert Rd. Selkirk, NY 12158 – 518-858-6296