

SEMEN STORAGE & SHIPPING AGREEMENT

This Agreement is hereby enacted by and between _____
(name)

(address) (phone/fax/e-mail)
(hereafter "OWNER"); and Paul E. Mennick DVM, dba Pacific International Genetics, 25725 - 68th Avenue, Los Molinos, CA 96055, telephone 530-529-0703, facsimile 530-529-1698, e-mail: pacintgen@worldnet.att.net (hereafter "VET"), for the purpose of storing frozen semen from sire(s) belonging to OWNER; shipping or using said semen at OWNER's direction; and for marketing, advertising, or acting as Agent to assist with sales of said semen at OWNER's direction. The semen donor(s) covered by this Agreement, hereafter known as "SIRE" (to be understood in the singular or plural, as appropriate) is / are:

(Registered name) (Registration number) (breed)

- 1) OWNER hereby certifies that he/she is the sole and true owner of SIRE, and/or said semen therefrom, and as such has the authority to enter into this Agreement. If OWNER is a Syndicate, Partnership, or Corporate entity, then the signing member/partner herein certifies on behalf of all other members, partners, or the Corporate entity that said entity is the sole and true owner of SIRE and/or said semen therefrom, and that said signature is testament to proper authority to enter into this Agreement on behalf of the Syndicate, Partnership, or Corporate entity.
- 2) VET hereby certifies that he maintains a reasonably safe, secure, and frequently monitored set of cryogenic storage containers at his facility in which to store said semen; that he has substantial experience in proper storage, handling, shipping, and utilization of frozen semen; that he is both able and willing to provide said services to OWNER, and to consult with anyone requesting information or advice regarding frozen semen; and, if requested by OWNER, to assist with marketing, advertising, or selling said semen.
- 3) The initial number of straws to be stored from said SIRE shall be _____; this number may increase or decrease hereafter as determined by OWNER, or VET's sale of straws if assisting OWNER with marketing. It is hereby declared and acknowledged that VET does *not* supply insurance against damage or loss on said semen, and that OWNER may provide insurance at his/her sole discretion and expense.

- 4) VET agrees to exercise reasonable care in storing said semen, including but not limited to storage in an insulated and locked area, normally enterable only by VET, his employees, or persons authorized by them; by periodically revacuuming older tanks as necessary to minimize risk due to vacuum failure; by frequent monitoring of nitrogen levels in said tanks and 'topping up' with nitrogen; by daily, or at least every-other-day visual inspection of tanks for early signs of vacuum failure; and by keeping a 'reserve' of nitrogen handy, along with spare tanks, to allow quick transfer of straws should a tank fail. VET, and his employees and assistants, shall be held harmless from any accident, damage, or loss to any or all of said semen, whether by Acts of God, accident, fire, vandalism, theft, or any failure of nitrogen tank vacuum, which both OWNER and VET hereby acknowledge can possibly occur at any time without warning. This "hold harmless" clause applies, whether or not said semen is in VET's immediate care, custody, or control at the time of damage or loss, including while in transit from one storage or production site to another, or while in the hands of any authorized shipping company still on VET's premises. VET is not responsible in any way for said semen once in the hands of any shipping company; shippers and receivers are advised to request insurance on all shipments, and to immediately inspect such shipments on arrival to validate any claims. OWNER is hereby advised to consider separate insurance of said semen while under VET's care, custody, and control, as offered in Paragraph 3 above.
- 5) VET shall not use, ship, or otherwise disburse any semen without OWNER's express consent, which may be provided in writing, by facsimile, or by telephone. Should VET or his employees have any reason to doubt the authenticity of any such request, they may delay acting upon said authorization until reasonably assured of its authenticity, and shall not be held liable by OWNER or their client for any direct or indirect consequences therein.
- 6) OWNER hereby acknowledges and agrees that for semen shipment, VET requires from receiver a deposit upon the cryogenic shipper tank. This deposit is normally obtained from the receiver by VET in advance of shipment, and the receiver is directly and solely responsible to VET for all shipping charges, unless OWNER volunteers to pay them. OWNER shall hold VET harmless from any direct or indirect damages that may result from delays in shipment owing to: a) lack of receipt by VET of the required deposit, b) last minute shipping requests made after VET's shipping cutoff time, or, c) any cause outside VET's immediate control.
- 7) OWNER hereby authorizes and requests _____, or, does *not* authorize and request _____ VET to assist in promoting the sale of semen through VET's current and customary advertising, which may include an Internet Sirepage on VET's website, magazine advertising, or other printed advertising, at VET's sole discretion and expense.
- 8) OWNER hereby authorizes and requests _____, or, does *not* authorize and request _____ VET to act as an Agent for OWNER by distributing brochures, videos, or other promotional materials provided by OWNER; by soliciting bookings or straw sales and enacting contracts with clients; and by collecting straw or stud fees set by OWNER on OWNER's behalf for later disbursement, as specified below. Any booking or straw sale by VET may obligate OWNER to sign a breeding certificate or otherwise verify sale of SIRE's semen by VET for offspring registration purposes, and OWNER hereby agrees to sign said documents. Likewise, OWNER authorizes VET to sign any documents verifying use or shipment of said

semen. Should OWNER be deceased, incapacitated, or otherwise unable to be found when such documents may be required, then VET (or his heirs and assigns) are hereby authorized, as Agents for OWNER, to sign said documents on OWNER's behalf. Whether or not OWNER hereby requests and authorizes VET to act as an agent, OWNER hereby designates only the following other person(s) as individuals authorized by OWNER to request semen shipment, sale, or use on OWNER's behalf:

- 9) Any Breeding Contracts involving semen from SIRE shall be executed by OWNER alone (if VET is not an authorized Agent herein), or by VET +/- OWNER if VET is an authorized Agent herein. If VET alone, or both OWNER and VET are executing contracts, it is hereby agreed that VET's contract shall be utilized. In this case, OWNER acknowledges receipt of, and agrees to abide by, VET's Breeding Contract. Any contracts so executed by OWNER shall obligate VET to fulfill said contract, and vice versa. Neither VET nor OWNER shall be responsible or liable to one another for any problems, disputes, or client difficulties which may arise from the use of said Breeding Contract, provided that both VET and OWNER have abided by its provisions, although said contract may hold VET and/or OWNER individually responsible and/or liable to the client (or vice versa). Any contract enacted by one party shall result in prompt submission of a copy thereof to the other party. Both VET and OWNER shall keep in touch with one another regarding stocks of frozen semen, in order to help insure that contractual obligations to clients can reasonably be met. It is hereby understood, that it is possible that a client may not receive semen when requested; in this instance, both OWNER and VET shall cooperate to satisfy the client as best possible.
- 10) If authorized as an Agent herein, VET shall not use or ship any semen from SIRE without first receiving from the client a properly completed and signed breeding contract (or direct authorization from OWNER to proceed without one in hand), including the required shipping deposit. OWNER shall be responsible for supplying VET in a timely fashion with any Registry papers, end-of-season stallion report forms, or other documents required by SIRE's Registry that VET must sign for registration of any offspring that result from the sale or use of SIRE's semen.
- 11) OWNER shall be free to set the straw or stud fee of SIRE, and shall be solely responsible for informing VET of any changes therein. Any quotes already supplied to a client in the process of purchasing semen, or contracts already signed at the moment VET is informed of the price change, shall honor the prior price. OWNER hereby acknowledges that printed advertising is generally contracted for by VET between mid-September and mid-February each year, generally for once-per-year breeding or sire issues, and that changes thereafter are not possible. VET shall not be liable or responsible for any monetary loss to OWNER resulting from any semen sales, contracts enacted, or advertising contracts undertaken by VET which result from OWNER's failure to notify VET of price changes in a timely fashion.
- 12) If collecting stud or straw fees on behalf of OWNER as an authorized Agent herein, VET shall disburse said monies, less any applicable fees or charges, on a monthly basis, in the course of VET's regular billing cycle. Payments to OWNER shall be accompanied by a copy of the applicable and completed contract, or name and address information for straw sales, covering each unit of semen sold by VET. VET shall not be required to disburse funds until client payments have cleared VET's bank account.

13) In consideration of the above services provided to OWNER by VET, VET shall be paid on the following basis:

_____ Per straw or goblet per day \$_____ (current fee schedule attached)

14) Upon receipt of any bill pursuant to this Agreement, OWNER shall pay VET in accord with his usual and customary billing procedures, i.e. net the end of the month following statement date (January or July 31st for storage charges), and if payment is not *received* by VET by that date, the bill shall bear interest at the rate of 1% monthly (12.0% per annum) on any unpaid balance until paid. Any litigation or small claims action to enforce the terms of this Agreement or related Breeding Contracts as specified herein, shall venue in Tehama County, California, and winner shall be entitled to recover reasonable attorney's fees and costs, whether or not chargeable on a cost bill. It is also hereby agreed that the returned check charge shall be \$29.00

15) If any fees pursuant to this Agreement have not been paid by OWNER by the time that the next year-end statement is sent by VET (one year's storage charges), plus accumulated interest, VET shall, following reasonable attempts during the following 30 days to contact and collect said sum from OWNER, consider semen from said SIRE to be abandoned by OWNER, and claim full Title and ownership of said semen under the California Livestock Lien Law, Possessory Lien Laws (Sections 3051 and 3052 of the California Civil Code), and Section 537b of the California Penal Code. VET may then, at his sole discretion, discard said semen, or advertise and sell it, for any fee he chooses. Such action shall not relieve OWNER of any payment responsibility, unless semen sales completely reimburse VET. Any sales proceeds that exceed the sum total due VET, including costs involved in attempting to locate and collect from OWNER, and costs involved in subsequent advertising and sale of said semen, shall be sent to OWNER at OWNER's last known address, and if unclaimed or returned to VET, VET shall no longer be responsible to OWNER for reimbursement thereof. Further, VET may proceed to collect the amount owed from OWNER, and OWNER hereby agrees to be liable for VET's costs involved.

16) If VET is authorized as an Agent for OWNER herein, it is hereby agreed that the primary goal of this Agreement is to promote the sale of semen from SIRE through ethical and honest business methods, to help insure client satisfaction through the achievement of pregnancies and detailed consultation, and the promotion of SIRE and his offspring worldwide. Should any unforeseen difficulties arise, VET and OWNER shall first confer to try to resolve said difficulties, with any unresolved problems subject to standard Arbitration Laws and Proceedings of the State of California, with any judgement or award thereunder binding upon all parties, their heirs, or assigns.

This Agreement is hereby exercised in good faith as witnessed by the following signatures.

We the undersigned, being of sound body and mind, hereby certify that we have read, understood, and agree to the terms set forth in this Agreement, and have sought, to our satisfaction, legal advice if desired.

Signature of OWNER

Date

Signature of VET

Date

