

ARROGATE STALLION SERVICE CONTRACT

THIS STALLION SERVICE CONTRACT ("Agreement") is made and entered into by and between **Juddmonte Farms, Inc.**, of 3082 Walnut Hill Road, Lexington, Kentucky 40515 ("Seller") and **Runnymede Farm, Inc., Haras d'Etream, Peter J. Callahan, and Enid Cafritz of c/o Magna Carta Bloodstock, 600 Cynthiana Road, Paris, KY 40361** ("Buyer"):

WITNESSETH:

1. **NOMINATION.** Seller is the owner of and agrees to sell to Buyer a right to breed ("Nomination") for the **2018 (N)** breeding season ("BS") to the thoroughbred stallion **ARROGATE**, by **UNBRIDLED'S SONG** out of **BUBBLER** ("Stallion").

2. **MARE.** Buyer owns and agrees to breed the thoroughbred mare **LIGHT THE SKY**, by **TAPIT** out of **HEAT LIGHTNING** ("Mare") to the Stallion during the BS. Buyer's agreement shall include the obligation to timely present the Mare for breeding to the Stallion for the duration of the BS until the Mare is pregnant or is certified by a veterinarian to be unsound for breeding, all in accordance with usual industry custom. Buyer affirmatively agrees that the Mare shall not be bred to any other stallion during the BS. Should the Mare be bred to any other Stallion during the BS, Buyer shall be in default hereunder and liable to Seller for liquidated damages in the amount of the Fee, which shall be due and payable on the date said Mare may be bred to another Stallion, unless a release (to be granted or withheld, in Seller's sole direction) from this Agreement has been obtained. A substitute mare shall be permitted only with the consent of Seller, which may be granted or withheld in Seller's sole discretion.

3. **FEE.** Buyer agrees to pay Seller a fee of **US \$75,000.00** for the Nomination, plus 6.00% Kentucky sales tax of **US \$4,500.00**, with a total sum due of **US \$79,500.00** (collectively referred to as "Fee"). The Fee is payable on a live Foal basis within 30 days that the Mare may produce a single live foal that is able to stand alone and nurse, as defined by usual industry custom, in the year following breeding. The parties further agree and understand, however, that if the Mare does not produce a single live foal that can stand and nurse or if she dies, aborts or is determined not to be in foal, then a veterinary certificate so stating, to the reasonable satisfaction of Seller, shall be promptly delivered to Seller in which event the Fee shall not be due. In the event the Mare shall produce twins, the Fee shall be due in full in the event that Buyer determines to register with The Jockey Club one or both of the twins.

4. **LATE CHARGES, COLLECTION FEES.** Buyer agrees to pay 1.50% per month in interest charges on any Fee not paid on a timely basis and agrees to reimburse Seller for Seller's reasonable attorneys' fees and costs in the event collection activities are required.

5. **MARE IDENTITY.** Buyer agrees that it is the sole responsibility of Buyer to send the correct Mare to be bred to the Stallion and Buyer agrees that neither Seller nor the Syndicate/Stallion Manager shall have any responsibility whatsoever to determine that the correct mare is being bred to the Stallion.

6. **MARE TO BE SOUND FOR BREEDING.** Buyer agrees and the presentation of the Mare shall constitute Buyer's warranty that the Mare shall be healthy and in sound breeding condition free from infection and disease before the Mare is bred and that the Mare shall not present a risk to the Stallion or its attendants. Upon request a veterinary certificate so stating shall be furnished by Buyer. It is further agreed that the Syndicate/Stallion Manager (who is or may be Seller) for the Stallion reserves the right, with veterinary advice, to refuse to permit the breeding of the Mare to the Stallion and in that event this Agreement shall be deemed terminated with no responsibility arising here from to or from the Seller, Buyer or Syndicate/Stallion Manager. Seller and Buyer further agree that neither shall be liable or responsible to the other for any disease, accident or injury to the Mare or the Stallion which may in any way arise out of the breeding of the Mare to the Stallion. Buyer covenants to follow the Seller's booking and management procedures.

7. **STALLION UNAVAILABILITY.** Should the above named Stallion die, be sold, or become unfit for service, or his number of mares be reduced by the Syndicate Manager or Stallion Manager with the breeding hereunder being deleted, then this Agreement shall be null and void and Buyer shall not be entitled to a substitute or replacement season; provided, however, if said Mare has a live Foal resulting from this breeding Agreement, then the Fee shall be due and payable in full as provided for herein.

8. **NONASSIGNMENT, SALE OF MARE.** This Agreement shall not be assigned or transferred by Buyer. In the event the Mare is sold, catalogued for sale (whether or not said sale is completed), or transported out of the Continental United States (for purpose of this Agreement Canada shall be deemed **included** in the United States), the Fee shall immediately become due and payable and in that instance this Agreement shall be deemed a **no guarantee contract** and all references to any refund of the Fee are deemed inapplicable and, notwithstanding any other contrary provisions of this Agreement, the Fee, in that instance, shall be due if not paid, and nonrefundable.

9. **MARE TITLE/LIEN.** Buyer shall provide all customary information/documentation that Seller may require relating to the Mare no later than the time when the Mare is delivered for her first cover. **Buyer represents and warrants that it is the fee simple owner of the Mare and that its title to the Mare and any foal out of the Mare is free, clear and unencumbered by any security interest, lien, charge or other encumbrance, unless Buyer has notified Seller in writing of any such encumbrance on or before the execution of this Agreement by Seller. Buyer further agrees that it shall not hereafter grant any security interest, lien, charge or other encumbrance with respect to the Mare, the foal out of the Mare resulting from the breeding pursuant to this Agreement or the Stallion Service Certificate relating thereto. In the event the Mare, any foal out of the Mare and/or the Stallion Service Certificate relating thereto is now or hereafter encumbered by any security interest, lien, charge or other encumbrance, Buyer shall require the holder thereof to subordinate any such encumbrance to the security interest and lien set forth in Section 10 of this Agreement; provided, the foregoing is not intended to waive the prohibition in the preceding sentence.**

10. **SECURITY INTEREST.** It is agreed that payment in full of the Fee and all other amounts due pursuant to this Agreement is a condition precedent required in order for Buyer to have any rights to delivery of the Stallion Service Certificate relating to the Nomination, it being acknowledged and agreed that the Stallion Service Certificate is the sole and exclusive property of Seller. Seller may release the Stallion Service Certificate directly to The Jockey Club within a reasonable time after receipt and processing of the Fee and all other amounts due pursuant to this Agreement. Buyer grants Seller a security interest and lien in any foal, in utero, born alive, or otherwise, as a result of the breeding pursuant to this Agreement, all certificates, instruments and documents relating thereto and all accessions, proceeds and products of the foregoing, in order to secure payment of the amounts due or to become due under this Agreement. The foregoing security interest and lien is in addition to the lien in favor of Seller pursuant to KRS 376.420. The security interest and lien granted herein shall secure payment of all claims and money owed by Buyer to Seller under this Agreement. Seller shall have all rights granted to secured parties under the Uniform Commercial Code as enacted by the Commonwealth of Kentucky. Buyer hereby consents to the issuance of the Stallion Service Certificate with respect to the Collateral in the name of Seller and registration of the foal by Seller, as agent, in the name of Seller, if deemed appropriate in Seller's discretion. Buyer agrees that Seller may file this Agreement as a financing statement and further irrevocably appoints Seller or Seller's designee as Buyer's attorney in fact to execute and file financing statements on Buyer's behalf to perfect or otherwise evidence this security interest if Seller deems it appropriate. The security interest in any certificates, instruments and/or documents shall be deemed to be perfected by the possession thereof by Seller or its agent(s). Buyer represents and warrants that its residence address is set forth above. Within 5 days of request from Seller to Buyer, Buyer agrees to pay any fees required to file a financing statement pursuant to this Section, and Buyer agrees to pay any fees assessed by any sales company with respect to the processing of any liens arising out of this Agreement.

11. **COMMISSION.** No commissions shall be due or owed by Seller arising out of this Agreement, except as agreed in writing by Seller and Buyer.

12. **AUTHORITY.** The undersigned affirmatively represents and warrants that he or she is duly authorized to enter this Agreement as Buyer or on behalf of Buyer, and that the terms and conditions hereof shall be binding upon Buyer. Any person signing this Agreement as agent is personally obligated to perform all conditions hereof, including making all payments hereunder unless the name of the principal is set forth accurately and the person signing is the authorized agent of such principal and is acting within his actual authority.

13. **DISPUTE RESOLUTION.** This Agreement shall be binding upon the parties hereto, their heirs, personal representatives, successors and assigns and shall be governed and construed in accordance with the laws of the Commonwealth of Kentucky. The parties hereby submit themselves to the exclusive jurisdiction of the Fayette Circuit Court or United States District Court for the Eastern District of Kentucky, as may be applicable, for resolution of all disputes arising out of this Agreement, including without limitation, collection of the amounts owed by Buyer hereunder.

14. **MISCELLANEOUS.** The parties acknowledge that this Agreement contains the entire agreement of the parties and each represents to the other that there is no reliance upon any verbal assurance of any nature whatsoever that is not contained or expressed herein. The parties further agree that **time is of the essence** in the performance of the rights and duties hereunder. The parties agree that Agreement may be executed with counterpart signatures, all of which taken together shall constitute an original without the necessity of all parties signing each document. This Agreement may also be executed by signatures to fax or emailed documents in lieu of original or machine generated or copied documents. This Agreement shall not be amended or modified unless such amendment or modification is in writing and signed by both parties hereto. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise or beginning of the exercise of any thereof by Seller shall not preclude the simultaneous or later exercise of any other such rights, powers or remedies by Seller.

15. **DISCLAIMER OF WARRANTIES.** Buyer acknowledges that **the nomination is sold as-is, and Seller makes no representations or warranties, express or implied, as to merchantability or as to the fitness for a particular purpose of the Stallion or his semen.**


16. **DEADLINE FOR SIGNING.** If this Agreement is not executed and returned by Buyer to Seller within ten (10) business days from the date indicated below, Seller may deem its offer to enter this Agreement revoked, in which event this Agreement shall be null and void and of no force and effect.

IN WITNESS WHEREOF, the parties hereto have set their hands effective upon execution of this Agreement both parties within the time contemplated by paragraph 16 hereof.

JUDDMONTE FARMS, INC.

By: _____
SELLER

Haras d'Etream, Peter J. Callahan, and

Enid Cafritz
By: 
BUYER

Date: _____

Date: 11/30/17

Northern Hemisphere

Agent Authorization Form

To: Juddmonte Farms, Inc.

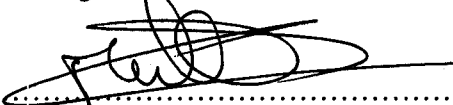
Mare Name ...LIGHT THE SKY.....Nomination Number...16.....

Mare Owner *HARAS D'ERENAM, PETER J. CALLAHAN, & ERIC CAFFITZ*

Address *600 CYNTHIANA RD*
..... *PARIS, KY 40361*

Agent/Manager..... *MAGNA CARITA BLOODSTOCK*

In respect of the work that the above named Agent has undertaken in negotiating and arranging the Stallion Service Contract with Juddmonte Farms, Inc., (Juddmonte) I, as the Buyer in said Stallion Service Contract, and by signing below, hereby authorize Juddmonte to pay 5% of the Nomination purchase price to the above-referenced Agent, payable upon receipt of the stud fee by Juddmonte and the birth of a single live foal that is able to stand alone and nurse, as defined by usual industry custom, in the year following breeding. By Juddmonte paying this amount to the above named Agent, I understand that I waived any right to claim a fee reduction for my own account. By signing below, I agree to indemnify and hold harmless Juddmonte from any and all claims, liabilities, causes of action and claims, including, without limitation, claims under KRS 230.357 and expenses including, Juddmonte's attorneys' fees, arising out of payment to the above named Agent.

Signed...  (Mare Owner)

Date *11/30/17*

Acknowledged and agreed:

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Juddmonte Farms, Inc.