



**AGREEMENT FOR SALE & PURCHASE
Of
BREEDING ENTITLEMENT**

In

MAJOR IN ART

BETWEEN Stallion Station Syndication Pty Ltd
<Major In Art Unit Trust>

AND _____

(Insert full name, address and contact details of the Breeder)
(In this Agreement called 'the Purchaser')

WHERE:

1. Stallion Station Syndications Pty Ltd owns the Southern Hemisphere rights and will stand at stud the standardbred Stallion named MAJOR IN ART (in this agreement called "The Stallion").
2. Stallion Station Syndications has agreed to sell a Breeding Entitlement or Breeding Entitlements, as the case may be, to the Purchaser.

IT IS AGREED:

1. Stallion Station Syndications Pty Ltd agrees to sell and the Purchaser agrees to purchase the number of Breeding Entitlements to the stallion set out in Schedule 1 of this Agreement at the price set out in Schedule 1 of this Agreement, which price will be payable contemporaneously with the signing of this Agreement by the Purchaser.



2. Definitions

For the purposes of this Agreement the following words and phrases shall have the meaning set after them:

Breeding Entitlement - the right to be provided with fresh, chilled or frozen semen from the Stallion for the insemination of one Mare in New Zealand or Australia for each Breeding Season for the term of this Agreement as set out in clause 3 hereof without payment of any service fee;

Breeding season - the period commencing the 1st of September (1st of October in Australia) in each year and expiring no later than the 31st of January in the following year.

Mare - a Mare owned or leased by the Purchaser for the purposes of utilizing a Breeding Entitlement for any one Breeding Season.

Live Foal - the foal resulting from the breeding to a Mare that stands and nurses without assistance and lives for seven days after birth.

3. Term and Entitlement

The term of this Agreement shall commence at the beginning of the 2009/2010 Breeding Season and shall expire on the death of the Stallion, the infertility of the Stallion, or at the completion of the 2013/2014 season. Each Breeding Entitlement purchased will be entitled to the following breeds as a part of this agreement:

2009/2010	2 breeds
2010/2011	2 breeds
2011/2012	1 breed
2012/2013	1 breed
2013/2014	1 breed

4. Prohibition of Accumulation of Services

Each annual service to the Stallion available via a Breeding Entitlement shall be forfeited if not used in any particular Breeding Season. The return services contemplated by clause 5 will not be affected by the operation of this clause.



5. **Live Foal Guarantee**

- (i) If a live foal is not produced as a result of a service to the Stallion, and for the purpose of this clause, service to the Stallion shall mean the Purchaser making, in Stallion Stations Syndications opinion, a reasonable attempt at getting the Mare in foal, it is hereby agreed that the Purchaser will be entitled to an additional service to the Stallion (in this Agreement called "a return service") in the following Breeding Season. A return service must be taken up within the following Breeding Season, time being of the essence, failing which such return service will be absolutely forfeited and any fees paid in accordance with clause 10 hereof shall be forfeited and Stallion Station Syndications will be released from any further obligation whatsoever in respect of such return services.
- (ii) This return service is conditional on the Purchaser giving Stallion Station written notice within 14 days after foaling or aborting, that the Mare did not produce a live foal. A certificate from the attending veterinarian that no live foal was born must accompany this notice. The fees and expenses set out in clause 10 hereof will be payable for any return service. The return service in this Agreement is non-transferable and non-assignable.

6. **Location of Stud**

The Stallion will stand at Stallion Station, Victoria for the 2009/2010 Breeding Season and thereafter at such Stud as Stallion Station Syndications thinks fit. Semen will be available to studs throughout Australasia.

7. **Use of Breeding Entitlement**

Breeding Entitlements purchased in New Zealand must be used in New Zealand and Breeding Entitlements purchased in Australia must be used in Australia.

8. **Mare Nomination**

On or before 1st October each year, the Purchaser must nominate a Mare for the intended use of the Breeding Entitlement by completing and forwarding to Stallion Station Pty Ltd their usual booking form.



9. **Chilled Semen Shipment**

Any request for semen must be made in accordance with Stallion Stations usual terms and conditions. Stallion Station makes no guarantee that semen will be available for a specific day.

10. **Additional Fees**

- (i) The Purchaser will pay all additional on farm costs and expenses incurred by the Mare and/or foal including but not limited to transport, freight, agistment, veterinary fees, foaling fees and working fees.
- (ii) Stallion Station reserves its right to charge the Purchaser the actual freight costs associated with transporting semen to the farm of the Purchaser's choice.
- (iii) The Purchaser will not be called upon to pay any other charges or expenses relevant to the Stallion other than those specific in this Agreement.

11. **Death, Infertility and Termination of this Agreement**

If the Stallion dies or becomes infertile this Agreement is terminated without any compensation or damages being payable to the Purchaser, and

- (i) Any outstanding payments due by the Purchaser under this contract will still be due and owing by the Purchaser.
- (ii) Stallion Station Syndications will not refund all or any part of the payment or payments made by the Purchaser under this contract.
- (iii) The termination will be Without Prejudice to any prior breach of this contract by either party.

12. **Partial Infertility**

If the Stallion becomes partially infertile and Stallion Station Syndications is obliged as a result, to restrict the number of mares served in any Breeding Season, then in such case no compensation will be payable to the Purchaser and, without being under any obligation to do so, Stallion Station Syndications will use its best endeavors to satisfy the Purchaser's Breeding Entitlement on a pro-rata basis, rotating the available services among the holders of breeding entitlements.



13. **Sale of the Stallion**

If the Stallion is sold by Stallion Station Syndications, it will be sold with the breeding entitlements attached to it. No compensation will be paid to the purchaser.

14. **Events beyond the control of Stallion Station Syndications**

Should any event occur beyond the control of Stallion Station Syndications affecting the operation of this agreement, for example but not by way of limitation, disease or injury to the Stallion, or postponed or interrupted travel arrangements, then the operation and effect of this Agreement will be suspended for such period or periods as shall be necessary to overcome the effect of such event Without Prejudice, however, to the Purchaser's obligation to complete all payments due under this Agreement at the times and in the manner specified in this Agreement.

15. **Representations and Warranties**

The Purchaser acknowledges and agrees that the Purchaser has entered into this Agreement entirely in reliance on the Purchaser's own knowledge and judgment and not in reliance on any representation or warranty made by Stallion Station Syndications. The Purchaser further agrees that Stallion Station Syndications has made no representation or warranty other than those warranties and representations contained in this Agreement.

16. **GST**

In addition to all payments to be made pursuant to this Agreement, the Purchaser agrees to pay Goods & Services Tax on such payments (if applicable).

17. **Terms and Conditions of Stud Farm**

The Purchaser agrees to be bound by the usual terms and conditions of the Stud Farm where their Mare is to be served. Without limiting the extent of this clause, the Purchaser will ensure that a Mare to be booked to a stud pursuant to a Breeding Entitlement is booked at the time or times required by the Stud and that the details of the Breeding Entitlement are disclosed to the Stud at the time.



18. Sale of Transfer of Breeding Entitlement

The following shall be essential stipulations to this Agreement that if breached by the Purchaser shall give Stallion Station Syndications the right to cancel this Agreement and the Purchaser will forfeit the entire purchase price as liquidated damages.

- (i) The right to have the annual yearly service to the Stallion is personal to the Purchaser only and the Purchaser will not sell, lease, transfer, assign or in any way alienate or otherwise dispose of the right to have a Mare served in any particular year of this Breeding Entitlement; and
- (ii) The Purchaser will not advertise in any manner that is inconsistent with the provisions of clause 18(i) herein.
- (iii) The Purchaser shall be entitled to sell the whole Breeding Entitlement by transferring the Breeding Entitlement for the whole of the balance of the term of this Agreement as set out in clause 3 hereof provided that:
 - (a) The Purchaser proves to the satisfaction of Stallion Station Syndications that the proposed transferee is of good financial standing in the standardbred industry;
 - (b) The Purchaser first offers the Breeding Entitlement to Stallion Station Syndications in writing on the same terms and conditions as the Purchaser intends to offer any proposed transferee;
 - (c) Stallion Station Syndications does not exercise the first option to purchase the Breeding Entitlement within seven days of the Purchaser offering the Breeding Entitlement to Stallion Station Syndications;
 - (d) If Stallion Station Syndications does not exercise its option to purchase. The Purchaser will not offer the Breeding Entitlement to any proposed transferee for a price less than and on terms and conditions more favourable than the terms and conditions offered in accordance with clause 18(iii)(b) herein without first offering the Breeding Entitlement back to Stallion Station Syndications;
 - (e) The proposed transferee shall execute a deed of covenant on a form prepared by Stallion Station Syndications to be bound by the provisions of this Agreement.



19. **Default**

If the Purchaser makes default in making any payment under this Agreement, or makes default in observing any of the Agreements on the part of the Purchaser set out herein, then Stallion Station Syndications reserves the right to exercise all or any of the following remedies:

- (a) To call in and compel payment of all monies owing under this Agreement notwithstanding that the time for payment thereof may not have arrived;
- (b) To charge the Purchaser interest calculated at a rate of 2% per month for any invoiced expenses and fees not received by Stallion Station Syndications on or before the dates due.
- (c) To stop supplying the Purchaser with services to the Stallion until payment is made in full or any obligation of the Purchaser hereunder is satisfied;
- (d) To cancel the contract.

The Purchaser assumes and agrees to pay all charges, expenses, solicitor's fees and related costs incurred in the collection of any outstanding balance on invoiced fees and expenses. No waiver or indulgence on the part of Stallion Station Syndications shall in any way restrict or vary Stallion Stations rights under this clause.

20. **Risk and Insurance**

Other than as expressly agreed herein, all of the risks associated with owning a Breeding Entitlement shall be borne by the Purchaser to the end and intent that the Purchaser will be solely responsible to insure the Purchaser's Breeding Entitlement against death, infertility and all other insurable risks and will be solely responsible to insure the Mare(s) for all insurable risks.

21. **No Set-Off**

The Purchaser will have no right to set off in respect of any monies owing under this Agreement.

22. **Applicable Law**

The law applicable to this Agreement shall be the law of Australia and the Courts of Australia shall have jurisdiction.



23. **Headings**

Headings in this Agreement are for guidance only and shall have no effect on interpretation.

24. **Arbitration**

Any dispute between Stallion Station Syndications and the Purchaser will be referred to an Arbitrator who shall be appointed by the General Manager of Harness Racing Australia. Both Stallion Station Syndications and the Purchaser agree to be bound by the results of such arbitration and hereby grant the Arbitrator power to set the terms and procedure of the arbitration and to award costs in such proportions as the Arbitrator thinks fit.

Signed by and on behalf of
Stallion Station Syndications Pty Ltd

In the presence of

Signed by the Purchaser

In the presence of



SCHEDULE 1

Number of Breeding Entitlements sold pursuant to this Agreement: _____

	\$A	\$NZ	
Purchase Price:	\$16,000	\$16,000	
GST (if applicable):	\$1,600	\$2,000	
Total Price:	\$17,600	\$18,000	(per entitlement)

Total Paid A\$ or NZ\$ _____

NB The sale in Australia will represent Australian dollars and in NZ will represent NZ dollars