

Alabar Australia Pty Ltd ABN 33 150 372 795 (t/a) and referred to herein as "Alabar Bloodstock"

1. The Owner/Lessee agrees to pay Alabar Bloodstock the service fee payable on a positive 42 days pregnancy test or on the birth of live foal, whichever is stated on page 1 of this Agreement. The service fee is to be paid within 30 days from the date that Alabar Bloodstock issues the Owner/Lessee with a tax invoice. The service certificate will not be issued until the account is paid in full.
2. Where the Owner/Lessee has paid a deposit then the amount payable pursuant to clause 1 shall be the service fee less deposit.
3. A deposit will be refundable (less any outstanding fees) in the event the:
 - 3.1. Service fee does not become due and payable
 - 3.2. The Mare is not covered due to her death: or
 - 3.3. The Mare must be bred on a free return this season.
4. This contract shall not be assigned nor transferred, and in the event said mare is sold or consigned for sale, the service fee, if unpaid, shall immediately become due and payable.
5. Interest at a rate of 10% per annum calculated daily is payable on any money owing under this contract beyond the terms of payment stipulated in Condition 1.
6. Live Foal Guarantee (LFG) conditions: If the mare fails to produce a live foal that can stand and suckle the owner shall be entitled to a free service to the same Stallion for the following season. If again the mare fails to produce a live foal the same conditions will apply. A certificate by a qualified Veterinary Surgeon, which identifies the mare and certifies the mare and certifies her failure to produce a live foal, must accompany all claims. Claims must be notified to Alabar within 14 days of her due foaling date or the birth of the foal.
7. The LFG will not apply if:
 - 7.1. The service fee is not paid in full within 30 days of the invoice date.
 - 7.2. If, in the opinion of a qualified veterinarian, the mare's owner is negligent in the management or provision of such management for the mare during her term of pregnancy and/or at the time of foaling, which could contribute to the death of the foal.
8. If the stallion shall in any way become unfit for service before servicing the mare, or if the mare should die or otherwise become unfit to be serviced supported by veterinarian certificate, this contract is and shall be null and void. The Owner/Lessee shall immediately notify Alabar Bloodstock in writing if the mare dies or otherwise becomes unfit to be bred.
9. Alabar Bloodstock makes no representation regarding the stallion's fertility, including but not limited to its ability to breed or its ability to cause a mare to become impregnated.
10. Alabar Bloodstock may offer to the Owner/Lessee a discount to the service fee for multiple mare services as stated on page 1 of this Agreement. The service fee relates to the provision of semen only. Any Discounts offered shall be reversed if the Service Fee is not paid within the Terms and Conditions of this contract.
11. Semen Transport charges and all other costs incurred at the property where the mare is served shall be the responsibility of the mare Owner/Lessee.
12. For mares served via transported semen the Owner/Lessee must notify Alabar Bloodstock whether or not a pregnancy has resulted 14 — 18 days after the date of that service. The owner will be invoiced on 50 days, if Alabar Bloodstock has not otherwise been notified of a result.
13. Alabar Bloodstock accepts no responsibility for any defects in the semen that have occurred during the transport of the Semen from Alabar Bloodstock's premises to the location of the Mare.
14. Alabar Bloodstock shall not be responsible for any tampering with semen shipping containers or their contents that occurs once they have left Alabar Bloodstock's premises.
15. In consideration of Alabar Bloodstock agreeing to provide the services set out in this agreement and in order to secure payment by the Owner/Lessee to Alabar Bloodstock, the Owner/Lessee hereby charges in favour of Alabar Bloodstock its right title and interest in the progeny of the Owner/Lessee's mare born as a result of the service by Alabar Bloodstock.
16. The Owner/Lessee acknowledges and agrees that:
 - 16.1 Alabar Bloodstock has a security interest that may be registered on the Personal Property Securities Register in the foal which is born as a result of the service under this contract until full payment is made by the Owner/Lessee to Alabar Bloodstock of:
 - 14.1.1.all monies owed to Alabar Bloodstock for the service; and
 - 16.1.2.all other monies owed to Alabar Bloodstock by the Owner/Lessee
 - 16.2. whilst there is a security interest in the foal in favour of Alabar Bloodstock, the Owner/Lessee must not sell the foal without first seeking consent in writing from Alabar Bloodstock;
 - 16.3. whilst there is a security interest in the foal in favour of Alabar Bloodstock, the Owner/Lessee must maintain the health and care for the foal in a proper manner so as to preserve the value of the foal;
 - 16.4. it consents to the registration and perfection of this interest by Alabar Bloodstock in accordance with the *Personal Property Securities Act 2010 (Cth)* or any regulations or amending legislation incidental thereto;
 - 16.5. the Owner/Lessee grants to Alabar Bloodstock an irrevocable licence to enter the Owner/Lessee's premises, which permits Alabar Bloodstock at its sole option to take possession and remove the subject foal(s) from the Owner/Lessee's premises. The owner consents to such actions and agrees that Alabar Bloodstock will not be liable for any loss suffered by the Owner/Lessee as a result of Alabar Bloodstock taking such action;
 - 16.6. until all outstanding monies owed by the Owner/Lessee to Alabar Bloodstock have been paid in full, the owner must not allow any third party to create, have or acquire any security interest in the foal(s);
 - 16.7. Alabar Bloodstock shall not be deemed to be relinquishing any of its rights as a creditor when exercising any of its rights as owner of the foal(s) under this clause 14;
 - 16.8. the express and implied terms of this clause 14 continue even if any contract between Alabar Bloodstock and the Owner/Lessee is repudiated by the owner and Alabar Bloodstock does not relinquish any of its rights against the Owner/Lessee until all monies due and payable to it are paid in full by the Owner/Lessee.
17. Alabar Bloodstock reserves the right to forward any outstanding accounts and personal details to the appropriate Authority and/or debt collection agency in the event that accounts are not paid in accordance with this Agreement.
18. This Agreement will be governed by the laws of the State of Victoria, and the parties expressly submit to the jurisdiction of the courts of this State.
19. All prices on this document are inclusive of GST