

*Deep Creek Veterinary Services Ltd.*  
**SEMEN STORAGE & SHIPPING AGREEMENT**

This agreement is hereby enacted between \_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address) (Phone/fax/e-mail)

(hereafter "OWNER"); and Deep Creek Veterinary Services Ltd., 942 Gardom Lake Rd, Enderby, BC, V0E 1V3, telephone 250-833-8585, facsimile 250-804-0356, e-mail subru@telus.net (hereafter "DCVS"), for the purpose of storing frozen semen from sire(s) belonging to OWNER; shipping or using said semen at OWNER direction; and for marketing, advertising, or acting as Agent to assist with sales of said semen at OWNER 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) DCVS hereby certifies that it maintains a reasonably safe, secure and frequently monitored set of cryogenic storage containers at its facility in which to store said semen; that Dr. Baker and Dr. Cienciala have substantial experience in proper storage, handling, shipping and utilisation of frozen semen; that DCVS 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 of 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 DCVS's sale of straws if assisting OWNER with marketing. **It is hereby declared and acknowledged that DCVS does not supply insurance against damage or loss on said semen**, and that OWNER may provide insurance at his/her sole discretion and expense. If desired by OWNER, DCVS can assist OWNER in obtaining said insurance, as hereby accepted or declined by OWNER's signature:
  - a) OWNER hereby *requests* insurance of said semen at OWNER's expense \_\_\_\_\_  
OR
  - b) OWNER hereby *declines* insurance on said semen, declines DCVS's assistance in obtaining said insurance, and hereby accepts and assumes any and all risk therein \_\_\_\_\_

- 4) DCVS agrees to exercise reasonable care in storing said semen, including but not limited to storage in an insulated area, normally accessible only by the practising Veterinarians, their employees, or persons authorised by them; by periodically re-vacuuming older tanks as necessary to minimise 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. DCVS, and its employees and assistants, shall be held harmless for 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 DCVS hereby acknowledge can possibly occur at any time without warning. This ‘hold harmless’ clause applies, whether or not said semen is in DCVS’s 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 authorised shipping company still on DCVS’s premises. DCVS is not responsible in any way for said semen once in the hands of any shipping company; 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 DCVS’s care, custody and control, as offered in Paragraph 3 above.
- 5) DCVS 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 DCVS or its employees have any reason to doubt the authenticity of any such request, they may delay acting upon said authorisation 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, DCVS requires from receiver a deposit upon the cryogenic shipper tank. This deposit is normally obtained from the receiver by DCVS in advance of shipment, and the receiver is directly and solely responsible to DCVS for all shipping charges, unless OWNER volunteers to pay them. OWNER shall hold DCVS harmless from any direct or indirect damages that may result from delays in shipment owing to : a) lack of receipt by DCVS of the required deposit, b) last minute shipping requests made after DCVS’s shipping cutoff time, or, c) any cause outside DCVS’s immediate control.
- 7) OWNER hereby authorises and requests \_\_\_\_\_, or, does *not* authorise and request \_\_\_\_\_ DCVS to assist in promoting the sale of semen through DCVS’s current and customary advertising, which may include Internet Sirepage on DCVS’s website, magazine advertising, or other printed advertising, at DCVS’s sole discretion and expense.
- 8) OWNER hereby authorises and requests \_\_\_\_\_ or, does *not* authorise and request \_\_\_\_\_ DCVS 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 DCVS may obligate OWNER to sign a breeding certificate or otherwise verify sale of SIRE's semen by DCVS for offspring registration purposes, and OWNER hereby agrees to sign said documents. Likewise, OWNER authorises DCVS 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 DCVS (or its assigns) are hereby authorised, as Agents for OWNER, to sign said documents on OWNER's behalf. Whether or not OWNER hereby requests and authorises DCVS to act as an agent, OWNER hereby designates only the following other person(s) as individuals authorised by OWNER to request semen shipment, sale, or use on OWNER's behalf:

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- 9) Any Breeding Contracts involving semen from SIRE shall be executed by OWNER alone (if DCVS is not an authorised Agent herein), or by DCVS +/- OWNER if DCVS is an authorised Agent herein. If DCVS alone, or both OWNER and DCVS are executing contracts, it is hereby agreed that DCVS's contract shall be utilised. In this case, OWNER acknowledges receipt of, and agrees to abide by, DCVS's Breeding Contract. Any contracts so executed by OWNER shall obligate DCVS to fulfil said contract, and vice versa. Neither DCVS 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 DCVS and OWNER have abided by its provisions, although said contract may hold DCVS 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 DCVS 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, on rare occasion, it is possible that a client may not receive semen when ordered; in this instance, both OWNER and DCVS shall co-operate to satisfy the client as best possible.
- 10) If authorised as an Agent herein, DCVS shall not use or ship semen from SIRE without first receiving from the client a properly completed and signed breeding contract (or direct authorisation from OWNER to proceed without one in hand), including the required shipping deposit. OWNER shall be responsible for supplying DCVS in a timely fashion with any Registry papers, end-of-season stallion report forms, or other documents required by SIRE's Registry that DCVS 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 DCVS of any changes therein. Any quotes already supplied to a client in the process of purchasing semen, or contracts already signed at the moment DCVS is informed of the price change, shall honour the prior price. OWNER

hereby acknowledges that printed advertising is generally contracted for by DCVS between mid-September and mid-February each year, generally for once-per-year breeding or sire issues, and that changes thereafter are not possible. DCVS shall not be liable or responsible for any monetary loss to OWNER resulting from semen sales, contracts enacted, or advertising contracts undertaken by DCVS which result from OWNER's failure to notify DCVS of price changes in a timely fashion.

12) If collecting stud or straw fees on behalf of OWNER as an authorised Agent herein, DCVS shall disburse said monies, less any applicable fees or charges, on a monthly basis, in the course of DCVS's regular billing cycle. Payment 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 DCVS. DCVS shall not be required to disburse funds until client payments have cleared DCVS's bank account.

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

\_\_\_\_\_ Per straw per year \$1.20 (next year's fee schedule attached)

\_\_\_\_\_ Flat fee of \$\_\_\_\_\_ per booking basis, with no separate storage charges, subject to a minimum of two bookings per year.

\_\_\_\_\_ Flat fee of \$\_\_\_\_\_ per dose/pellet basis, with no separate storage charges, subject to a minimum of \$\_\_\_\_\_ per year.

\_\_\_\_\_ Flat fee of \$\_\_\_\_\_ per booking basis, including all semen freezing work and with no separate storage charges, subject to a minimum of two bookings per year. In this instance, because of DCVS's substantial investment in producing, storing, and advertising semen from SIRE without immediate compensation, and relying solely upon SIRE's popularity for reimbursement over time, DCVS is hereby granted by OWNER an exclusive right to produce, store, advertise, promote and sell frozen semen from SIRE on a world wide basis until said semen has been depleted. Any sale of SIRE to a new owner shall recognise this contract and shall allow DCVS to continue said promotion and sale on behalf of the new OWNER without other alternation to this Agreement or change in this clause. OWNER may, at any time, elect to 'buy out' DCVS's lien and interest in said semen from SIRE, at an amount equal to the freezing, storing and promotion charges that would have been paid by OWNER on an ongoing basis, plus interest at 18% per annum, as calculated by DCVS at that time, but in no case to exceed twice the then-current rate for semen freezing per dose alone.

Per booking or per dose fees are deducted at the time of sale; the balance disbursed pursuant to Paragraph 12 above. Any shortfall in sales pursuant to the method of

payment selected above, or fees for 'per dose per year' storage shall be billed by DCVS once annually, at the end of March.

- 14) Upon receipt of any bill pursuant to this Agreement, OWNER shall pay DCVS in accord with its usual and customary billing procedures, i.e. net the 25<sup>th</sup> of the month following statement date, and if payment is not *received* by DCVS by that date, the bill shall bear interest at the rate of 3% monthly on any unpaid balance until paid. It is also hereby agreed that the returned cheque charge shall be \$25.00.
- 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 DCVS (two year's storage charges), plus accumulated interest, DCVS 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. DCVS may then, at its sole discretion, discard said semen or advertise and sell it, for any fee DCVS chooses. Such action shall not relieve OWNER of any payment responsibility, unless semen sales completely reimburse DCVS. Any sales proceeds that exceed the total sum due DCVS, 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 DCVS, DCVS shall no longer be responsible to OWNER for reimbursement thereof.
- 16) If DCVS is authorised 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, DCVS and OWNER shall first confer to try to resolve said difficulties, with any unresolved problems subject to standard Arbitration Laws and Proceedings of the Province of British Columbia, with any judgement or award thereunder binding 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.

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Signature of OWNER

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Signature of DCVS