



Champion Genetics Service Agreement

This agreement is made by and between Champion Genetics Inc., located at 18035 FM 17 Canton, Tx 75103, hereinafter referred to as "Champion Genetics", and _____ (ranch/organization) with principal place of business at _____ (address), hereinafter referred to as "Client."

Champion Genetics agrees to provide, and Client agrees to purchase, embryo transfer and other products and services, on the following terms:

1. **PRODUCTS AND SERVICES.** Champion Genetics will provide reproductive technology services and products as requested by Client which may include, but are not limited to, embryo collection, freezing, and transplant; aspiration; artificial insemination; dominant follicle removal; resident donor, donor calf, recipient, and calf care, and other reproductive technology services.
2. **FEES.** Fees for services are based upon the fee schedule in effect at the time that the service is provided. A copy of such fee schedule is available to Client by request and is incorporated by reference into as a material term of this agreement. Client agrees to pay for Champion Genetics services at the rates listed on such fee schedules. Fee schedules are subject to periodic change by Champion Genetics at its discretion.
3. **BILLING.** Clients will receive monthly statements with invoice detail for all services provided during the current billing cycle.
4. **FINANCE CHARGES.** Finance charges on all past due accounts shall be 1.5% per month (18% per annum).
5. **HEALTH STATUS TESTING.** Client hereby consents to and authorizes Champion Genetics to test donors and recipients that are housed at the Champion Genetics facility for health status utilizing serology, culture and other veterinary examination procedures. Resulting information may be used by Champion Genetics for such purposes as it deems appropriate and may be disclosed by Champion Genetics to other people or entities within Champion Genetics sole discretion. Client hereby acknowledges that Champion Genetics is obligated by law to disclose the results of certain health status testing or the existence of certain diseased animals to state officials. Client hereby releases any and all claims, now or in the future, resulting from health status testing or disclosure of test results.
6. **TRADE SECRETS.** It is understood by the Client that the services performed by Champion Genetics make use of inventions, products, processes, apparatus, techniques, methods, formulas, discoveries and other vital proprietary information of Champion Genetics, hereinafter referred to as "trade secrets." Client shall hold in confidence, and shall not at any time or in any manner, divulge or communicate any trade secrets disclosed by Champion Genetics to Client.
7. **LIMITATION OF REMEDY.** Return of fees paid by Client shall be the sole and exclusive remedy against Champion Genetics or any Champion Genetics affiliate for any claim arising out of the breach of this Service Agreement, as well as any warranty expressed or implied thereby. Client recognizes the possible risk of injury and/or damages that may result from any procedure used in the collection or transfer of genetic material, including but not limited to vaginal/rectal puncture during oocyte retrieval, dominant follicle ablation and the complications related to such procedures. Client acknowledges that these occurrences may happen despite the exercise of due care of Champion Genetics, and in the event of these occurrence, Client's sole remedy is the return of the fees paid by Client to Champion Genetics. Under no circumstances shall Champion Genetics be liable for consequential, special, indirect, or any other damage resulting from the use, handling, removal, transfer and storage of embryos, care of donor and/or recipient, females and any offspring thereof, health status testing or the use and/or disclosure of test results or related information.
8. **DISCLAIMER OF OTHER WARRANTIES.** CHAMPION GENETICS MAKES NO WARRANTY OF FITNESS OR MERCHANTABILITY OF EMBRYOS OR RECIPIENTS, OR ANY OTHER EXPRESS OR IMPLIED WARRANTY EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT.
9. **GENERAL CONDITIONS OF SERVICE.**

A. **Partnership.** If Client is a partnership or joint venture, all partners and members of joint venture are individually liable for all services provided. Unless otherwise advised in writing, Champion Genetics may act on the instructions of any partner or member. If

property (including but not limited to donor cows, frozen embryos, semen, and pregnant recipient cows) is jointly owned by a formal or informal partnership, or joint venture, upon payment by any partner or member of the joint venture of the account balance, the property, products, and proceeds thereof will be delivered to the partner or member of the joint venture making payment.

B. If applies, Blood-typing. All donor females shall be blood-typed, at Client's expense, in accordance with their respective breed association standards prior to performance of any services by Champion Genetics .

C. Semen. Semen used for breeding donor females shall be provided by Client at Client's expense. Champion Genetics is not responsible for semen quality or IVF or embryo transfer results due to semen quality.

D. Shipping. Client shall be responsible for transportation costs of donor and/or recipient females, semen, oocyte and embryos both to and from Champion Genetics facilities. Client shall bear the risk of loss for damage or destruction in the course of transportation. Insurance may not be available for shipping of embryos by common carrier. If other arrangements are made, Client must establish in writing the specific requirements of transfer.

E. Insurance. Client will maintain any and all insurance as Client deems appropriate on resident donor and/or recipient females and any offspring thereof, as well as any frozen embryos and semen stored on Champion Genetics premises. Client agrees that Champion Genetics will not provide any insurance coverage on any of Client's property and that Champion Genetics is released from any and all liability for risk of loss for any reasons including but not limited to tank failure, death, acts of God, injuries or damages resulting from care and handling, and natural disaster. It is further agreed that Client will not subrogate any claim for damages against Champion Genetics resulting from care and handling, and natural disasters. It is further agreed that Client will not subrogate any claim for damages against Champion Genetics .

F. Liens. Client hereby grants to Champion Genetics a security interest in semen and embryos created by or stored at Champion Genetics , in donor cows or bulls boarded at Champion Genetics , the proceeds thereof (to the extent Client has any ownership interest in such farm products) to secure payment of all amounts due under this Agreement. Client acknowledges that this security agreement continues notwithstanding the release of the farm products into Client's possession. Client acknowledges that the services performed by Champion Genetics allow it to file one or more liens. If Client fails to pay for services performed by Champion Genetics , Champion Genetics may retain possession of Client's property, and perfect and enforce these liens as provided by law against property of Client to which such liens attach. Client consents to the transfer of registration of any property registered or registerable with any breed association in the event such property is sold at public or private sale pursuant to the security interest granted herein or pursuant to liens arising under applicable law.

G. Enforcement. In the event that litigation is necessary to enforce the terms of this agreement, the prevailing party shall be entitled to recover reasonable attorney's fees and costs of the litigation.

H. Choice of forum/law. The parties agree that jurisdiction and venue for any suit upon this agreement shall be in Van Zandt County, State of Texas, and that Texas law shall apply to this agreement.

CHAMPION GENETICS CLIENT

Ranch/Organization: _____

Authorized Signature: _____ Date: _____