

BULL BREEDING SERVICES CONTRACT

THE STATE OF TEXAS §
 §
COUNTY OF HEMPHILL §

This Bull Breeding Services Contract (hereinafter called "Agreement") is made and entered into effective _____, 20____ ("Effective Date") by and between the following Owner and Breeder:

Owner: **100th Meridian Ranching, LLC**
Tax ID Number:
Owner's Headquarters: 11950 CR 14
 Canadian, TX 79014
Phone No.: 806-255-3046
Email: justin.d.rader@gmail.com

Breeder: _____
Address: _____

Phone No.: _____
Email: _____

The purpose of this Agreement is for the use of the Owner's bull(s) for natural-service breeding purposes. The bull(s) shall be given good care by the Breeder in conformity with the practices generally approved by successful cattle raisers in the Hemphill County area.

In consideration of the mutual covenants contained in this Agreement, the parties agree as follows:

1. TERM.

The term of this Agreement shall be for _____ days commencing on the Date of Delivery, _____, 20____. At the end of the Term, Breeder will deliver the bull(s) to the Owner's Headquarters.

2. DESIGNATION AND DELIVERY.

Owner shall deliver the following bull(s) to Breeder on the Date of Delivery:

Quantity and Breed: _____

Ownership of and title to the bull(s) shall remain in the Owner. The bull(s) shall not be removed from Breeder's possession without the prior written consent of the Owner.

3. PAYMENT.

Breeder agrees to pay to Owner without any prior demand therefore and without any deduction or setoff whatsoever, the sum of \$_____ per head per term for the right to breed cattle to the bull(s), payable at Date of Delivery. Breeder is solely responsible for managing and paying for any necessary brand inspections, health certifications, or any other documents to complete this Agreement.

4. LOCATION OF BULL(S).

The Breeder agrees to keep the bull(s) at the following location for the Term of this Agreement (county, physical address, section #, pasture name, etc.):

5. REQUIRED TRICH AND SEMEN TESTING.

- A. On the Date of Delivery, Owner shall provide proof to Breeder of a negative trich and passing semen test for each bull, such tests to be paid at Owner's expense. Owner must have a minimum of 10 working days' notice of Breeder's intent to lease the bull(s) prior to Date of Delivery to obtain the trich results for the reasons described in paragraph 6 below.

- B. At the end of the Term, or if a bull is returned to Owner for any reason, Breeder shall provide proof to Owner of a negative trich test and passing semen test for each bull, such tests shall be performed by a certified veterinarian, to be paid at Breeder's expense. Due to the 6-10-day time frame to obtain results from trich testing described in paragraph 6, the Breeder will not be charged for the period it takes for the trich results to come in, hereinafter sometimes referred to as the "turn-around time." In other words, since the Breeder will not be able to use the bull(s) for the turn-around time, no charge will be added for the extra 6-10 days the bulls are still in the control/possession of the Breeder.

- C. Breeder shall test bull under Breeder's name and agrees to share results with Owner. If a bull is trich positive on return test from Breeder, the Breeder agrees to purchase bulls with trich positive results within three business days of receiving results and as described in paragraphs 7 and 13. Breeder is responsible for complying with TAHC actions, which may include culling, retesting the individual or group that was with a trich positive bull, notifying the neighbors, and testing bulls from any neighboring pastures. Breeder agrees to indemnify and hold Owner harmless from any and all costs and damages of neighboring pastures and animals and the re-testing of such animals.

6. TRICH TESTING NOTICE.

Due to the Federal Laws regarding "trich" testing for leased bull(s) currently enforced by the Texas Animal Health Commission (TAHC) (effective January 1, 2010), the bull(s) shall be

tested by Canadian Vet Clinic, High Plains Vet Services or other agreeable vet clinics with negative results for “trich” using the PCR test and a passing semen test. Breeder is advised that a 10-day period must be allowed for the results to come back and for the bull to travel. This must be taken into consideration when a “turn-out” date is strictly adhered to, i.e., the bull(s) will need to be tested at least 10 days prior to the target turnout date the Breeder desires.

If Breeder turns bull(s) out prior to obtaining the trich results, Breeder does so at Breeder’s own risk and expense. Breeder does hereby acknowledge that Breeder “holds harmless” the Owner from any liability, expense, or damages resultant therein.

Breeder acknowledges that this will more than likely be the case if the bulls are reserved verbally less than 10 working days before the delivery date and will presume same. If Breeder is not confident of the trich-free status of Breeder’s herd (weaning rate less than 90%, open or aborting cows, etc), the Breeder may want to reconsider leasing the bull(s).

7. TRICH TESTING POSITIVE RESULTS.

Breeder agrees that if a bull tests positive for trich within the Term or at the end of the Term of this Agreement, the Breeder shall purchase such bull for the Agreed Upon Purchase Price of Bull listed in paragraph 13. If multiple bulls have been leased under this Agreement, all the remaining bulls shall be held by the Breeder until declared “trich free” by the Texas Animal Health commission at which time such bulls can be returned back to Owner with proof of negative trich test results. Breeder is responsible for complying with TAHC or other state animal health commissions to cull or get all bulls back to “trich free” status, at Breeder’s cost, as defined by TAHC, even if multiple tests are required. After Breeder has completed purchase of trich positive animals, the Breeder is responsible for and may decide which course of action to take.

8. MINIMUM HEAD COUNT AND RECOMMENDED RATIO.

The minimum head count available for lease is 2 bulls. This is required to avoid handling issues and provide some form of breeding backup. The recommended ratio of cows per bull is approximately 1 bull per 25 cows. Additionally, if a lesser ratio is used, Breeder runs the risk of low conception rates. It is recommended that at least two bulls with groups larger than 30 cows in one location.

9. HEALTH.

Owner guarantees the bull(s) to be in good health and condition on the Date of Delivery and to have been fertility tested. Owner’s fertility test guarantees that the bulls are fertile. Fertility test does not warrant against poor condition of Breeder’s herd, drought, weather anomalies, insufficient or deficient grazing, inadequate supplement, feed, internal and external parasite control reproductive disease or infections, insufficient amount of bulls, and other related matters. All these conditions must be taken into consideration and inadequacies regarding the same can affect reproductive efficiency of leased bulls negatively. Owner’s bulls receive a killed vibrio leptovaccine, vitamin A, D and E shot, and dewormed annually. It is recommended that the Breeder’s cow herd is treated similarly.

10. NUTRITIONAL RESPONSIBILITY.

The Bull(s) may NOT be returned to Owner in a state of malnutrition. Malnutrition is defined as losing more than 15% of body weight while in care of the Breeder. Weights and tag numbers are in the last section. Weight after breeding season will be determined by Owner via certified scales and being on good grass or hay for at least 8 hours. In the event of determined malnutrition, Breeder will be required to purchase a warranty of 20% of the bull's lease value the following year if Breeder is to continue doing business with Owner. In the event of dispute under this section or any health-related issue herein the parties agree that CANADIAN VET CLINIC will determine if the bull(s) are, in fact, in a state of malnutrition. If CANADIAN VET CLINIC is not available, any competent, impartial veterinarian with 60 miles of Canadian may mediate the dispute regarding body condition. If mutually acceptable, an additional payment to cover feed, labor, medication, and inconvenience may be made in lieu of the "recovery" period.

11. MEDICAL RESPONSIBILITY.

If the bull(s) need medical treatment beyond what is possible on the Breeder's land, the Breeder agrees to contact the Owner via telephone immediately. For issues that need a veterinarian's attention, the Breeder will haul the bull to a veterinarian to have recommended treatment with Owner's approval and Owner shall pay for treatment costs. For issues that can be treated on Breeder's land, the Breeder agrees to obtain consent from Owner to provide medicine and treatments, if Owner consent's to such medicine and treatments, Breeder shall provide Owner a list containing the medicine, dosage, treatments and dates that the Breeder carries such treatments. Owner will reimburse Breeder for treatment done by the Breeder.

If the bull(s) are unable to service cows in the breeding season due to the bull(s) condition, Owner will provide a replacement for the remainder of the breeding season and trade out the unserviceable bull(s) with serviceable bull(s). Owner and Breeder agree to meet half-way between Owner's Headquarters and Breeder's property with their respective trailers for the exchange. Maximum replacement rate shall be no more than 15% of the original lease, rounding to the next highest whole number. Example: If a breeder leases 10 bulls, $10 \times 15\% = 1.5$ bulls rounded up to 2 for the maximum replacement rate. Replacements are only available within the first 60 days of a breeding season. The justification for that is that the average cow herd should have 75% conception in the first 21-day cycle of breeding season, another 15% in the second cycle, etc. By day 60 of the breeding season, most cows will be bred and even if some bulls are unserviceable, there should be plenty of bulls left that can cover the remaining 10% of cows.

12. BULL HANDLING.

Breeder agrees to handle the bull(s) in a low stress stockmanship manner. Breeder agrees that Breeder will not rope the bull(s) without Owner's consent. Additionally, Breeder agrees that Breeder's use of hotshots will be kept to a minimum. Breeder agrees that when handling

bulls, never to have a bull alone and to always have another buddy bull or cow with a leased bull at all times to keep bulls calm and easy to handle.

Breeder agrees not to shoot the bull(s) with shotgun birdshot (or allow others that are allowed to hunt on Breeder's land to shoot the bull(s) with shotgun birdshot). If a bull is shot during the Term of this Agreement, the Breeder agrees to pay to Owner the Agreed Upon Purchase Price of Bull listed in paragraph 13.

13. BULL INJURED, LOST, DEAD OR TEST POSITIVE FOR TRICH.

Breeder agrees that the bull(s) are sound and healthy as of the Date of Delivery. Breeder further agrees to assume any and all liability including any disappearance or contraction of trich associated with possession of the bull(s). This responsibility begins from the Date of Delivery until Breeder returns the bull(s) to the Owner's Headquarters. Breeder specifically agrees to the following terms:

Injured Bull: In the event any bull leased under this Agreement is injured so as to make the bull unserviceable (the term "injured" shall include crippled, unsound, or sore-sheathed), the Owner assumes all risk, provided no negligence on Breeder's behalf. If the injury of the bull(s) is a result of the Breeder's, Breeder's agents, employees, or permittee's negligence, intentional act, or acts of malfeasance, the Breeder agrees to purchase the bull(s) for the Agreed Upon Purchase Price of Bull below.

Death of Bull: If a bull dies while in the care of the Breeder, provided that the Breeder is not negligent, the Owner assumes all risk. In the event of a bull's death, Breeder agrees to provide a pair of ears with tags, patch of hide with brand, and clear photos of the dead bull. If the death of the bull(s) is a result of the Breeder's, Breeder's agents, employees, or permittee's negligence, intentional act, or acts of malfeasance, the Breeder agrees to purchase the bull(s) for the Agreed Upon Purchase Price of Bull below.

Breeder's Responsibility: If a bull is missing for more than a one-month period, or no proof of death as described above is provided to Owner within 10 days after end of the Term, or the bull tests positive for trich during or immediately following the Term of this Agreement, the Breeder assumes all responsibility and agrees to pay to Owner the Agreed Upon Purchase Price of Bull below.

Agreed Upon Purchase Price of Bull: **\$3,500.00 (per Bull)**.

14. INDEMNIFICATION.

BREEDER AGREES AND COVENANTS TO DEFEND, INDEMNIFY AND HOLD OWNER HARMLESS AGAINST ANY AND ALL CLAIMS, DEMANDS, DAMAGES, CAUSES OF ACTION OF EVERY KIND AND CHARACTER WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF OR THE NEGLIGENCE OR FAULT (ACTIVE OR PASSIVE) OF ANY PART OR PARTIES, ANY THEORY OF STRICT LIABILITY, COSTS, AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES FOR THE

DEFENSE THEREOF, ARISING FROM THE CONDUCT OR MANAGEMENT OF BREEDER'S BUSINESS OR BREEDER'S USE OF THE BULL(S), OR FROM ANY NEGLIGENT ACT OR OMISSION BY BREEDER, BREEDER'S AGENTS, SERVANTS, EMPLOYEES, CONTRACTORS, GUESTS, OR INVITEES ON OR ABOUT BREEDER'S PREMISES, DURING TRANSPORT OR UPON ANY OTHER PREMISES UPON WHICH THE BULL IS TAKEN BY BREEDER OR BREEDER'S AGENTS, SERVANTS, EMPLOYEES, CONTRACTORS. THIS INDEMNIFICATION SPECIFICALLY INCLUDES BUT IS NOT LIMITED TO ANY INJURIES OR DEATH TO OTHER ANIMALS, PERSONS, PROPERTY DAMAGE BY THE BULL(S) AT BREEDER'S PROPERTY OR ANY OTHER PROPERTY DURING THE TERM OF THIS AGREEMENT. IF ANY ACTION OR PROCEEDING IS BROUGHT AGAINST OWNER BY REASON OF ANY OF THE ABOVE, BREEDER FURTHER AGREES AND COVENANTS TO DEFEND THE ACTION OR PROCEEDING BY LEGAL COUNSEL ACCEPTABLE TO OWNER.

15. NO ASSIGNMENT, SUBLEASING OR SEMEN COLLECTION.

Breeder may not assign this Agreement, sublease the bull(s) nor collect semen from the bull(s) without the prior written consent of Owner.

16. RIGHT TO ENTER.

Owner or Owner's authorized representative shall have the right, at any reasonable time, to enter onto the Breeder's property for the purposes of performing an inspection of the bull(s) or taking the bull(s) at the end of the Term if the bull(s) have not been returned at the end of the Term or if Breeder breaches the terms of this Agreement.

17. NO PARTNERSHIP.

This Agreement shall not give rise to a partnership relationship between the parties hereto. Neither party shall have the authority to bind the other without written consent. Breeder is not an agent of Owner and Owner will not be responsible for Breeder's actions, specifically failure to comply with state and federal animal health rules and laws.

18. BREACH.

If Owner or Breeder fails to carry out any provision of this Agreement, the other party shall have the right to terminate this Agreement on thirty (30) days written notice to the offending party of such intention to do so. Nothing contained herein constitutes a waiver of the right of either party to damages occasioned by breach of this Agreement.

19. APPLICABLE LAW AND VENUE.

This Agreement and the rights of the parties hereunder shall be interpreted in accordance with the laws of the State of Texas, and in the event of any disagreement, the laws of this state shall apply and suit must be brought in Texas. Venue for any dispute arising hereunder is in the state district court in and for Hemphill County, Texas.

20. PARTIES BOUND.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns where permitted by this Agreement. This Agreement will be faxed, e-mailed, mailed or hand-delivered to Breeder on or before the Delivery Date for his signature and records. Breeder's acceptance of the bull(s) on the Delivery Date shall constitute Breeder's acceptance of the terms and conditions of this Agreement regardless if Breeder signs this Agreement.

21. ENTIRE AGREEMENT - AMENDMENT.

This Agreement shall constitute the entire understanding of the parties hereto with respect to the subject matter hereof, and no amendment, modification, or alteration of the terms hereof shall be binding unless the same be in writing, dated subsequent to the date hereof, and duly executed by the parties hereto.

22. COUNTERPARTS.

This Agreement may be signed in counterparts with the compiled signature pages constituting a fully executed Agreement.

IN WITNESS WHEREOF, the undersigned Owner and Breeder hereto have entered into effective as of the Effective Date.

"Owner"

"Breeder"

100th Meridian Ranching, LLC
By Justin Rader

Signature

Printed Name: _____

Bull Information

<u>Tag</u>	<u>Brand</u>	<u>Birth Year</u>	<u>Turnout Weight</u>	<u>Gathering Weight</u>
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				

FAQ:

1. I'm almost done with my lease. Where do I have the bulls trich tested for return?
 - a. If you are a Texas customer we recommend calling and scheduling an appointment with High Plains Vet Clinic (O: 806-323-8387) or Canadian Vet Clinic (O: 806-323-5395). We recommend trich testing Monday-Wednesday due to results timeline, mail, etc. The clinics are open Monday-Fridays. The actual trich testing can be done on your ranch or at the clinic. Sometimes, due to scheduling, 100th Meridian Ranching will need a semen test as well. We will pay for the semen costs. You as a Breeder are responsible for the trich test and its cost. Please call the vet clinic at least a week in advance so they can schedule. Also let 100th Meridian Ranching know of your schedule at least a week in advance so that we can be ready to receive bulls. After the bulls have been trich tested, you are responsible for returning the bulls to 100th Meridian Ranching's drop off spot on the ranch.
 - b. If you're an out-of state customer, please call 100th Meridian Ranching to confirm an acceptable vet clinic in your state. After we agree on a clinic, you'll contact the clinic and schedule trich testing. You will need to hold the bull for the 6-10 day turnaround time until negative trich results are received. After that, your vet can issue a Certificate of Veterinary Inspection (CVI) also known as health papers. Once you have health papers in hand you can cross state lines and return the bull. Texas is not brand inspection state.