



Heifer Development Service Agreement

Inguran LLC, dba **Genetic Development Center**, located at 22909 FM 2154, Navasota, Texas 77868 (hereinafter referred to as "GDC" or "Controller"), and

"Owner" or "Customer":

_____, located at _____

Date: _____, 2016 agree as follows:

GDC is in the business of providing livestock development services including heifer development services during the first year of life;

Owner wishes to have GDC provide the development services for the **heifers as listed in Appendix A**;

THE PARTIES AGREE AS FOLLOWS:

Development Services

- Owner shall transfer the heifers as listed to GDC at GDC's facility on Wellborn Road in Navasota, Texas.
- Owner shall reclaim the heifers at the end of the feeding period no later than March 17, 2017.
- Owner shall assure that each heifer meets the health requirements as listed below:
 - (i) Heifers are structurally sound; no physical defects; no injuries
 - (ii) Vaccinations (MLV preferred) with booster: IBR, BVDV, PI3, BRSV, Clostridia 7-8 way, Pasteurella, Manniheimia, Haemophilus Somnus, and pink eye
 - (iii) Heifers are Tuberculosis Negative within 60 days prior to arrival
 - (iv) Heifers are Brucellosis Negative within 30 days prior to arrival
 - (v) Heifers are proven BVD PI negative upon arrival
 - (vi) Heifers have had at least one round of vaccinations using a modified live vaccine
 - (vii) Heifers have a permanent form of identification
- All performance data shall be subject to use by GDC for internal and cooperative research and development efforts, and shall be supplied to respective breed associations as well as GrowSafe Systems Ltd. at GDC's

sole discretion.

Price

- The total all-inclusive fee for up to one hundred and thirty-three days (133) days per heifer is eight hundred and forty (\$840). This includes all feeding costs, GrowSafe measurements, ultrasound data, yearling measurements, entry vaccinations, tagging, weighing and similar maintenance procedures.
- **An entry fee of \$50 per head is due by October 18, 2016 with four (4) additional installments of \$197.50 to be billed and payable at the end of each month, but must be paid in full prior to pickup of developed heifers.**
- **\$50 entry fee per head will be waived if producer enters at least 32 head**
- Any other veterinary expenses shall be the responsibility of Owner and will be invoiced as an expense upon the accrual of fees.
- For each day the heifer remains at the GDC beyond March 17, 2017, each heifer will be charged a value of \$3.95 per day until the heifer is reclaimed by Owner.
- Full payment must be made prior to reclaiming heifer. GDC reserves the right to deny pickup, and shall have the right to charge interest at the rate of one percent (1%) per month. Such denial shall constitute notice of intent to assume title, if payment in full is not made within ninety (90) days. Following the notice period, GDC shall have the right to sell the heifer and apply the proceeds to pay any outstanding amounts due, and refund the rest to Owner.

Warranties

OWNER warrants and represents as follows:

- Owner has good title and owns the above-described heifers free and clear of all liens and encumbrances, and agrees to keep said heifer free of all liens and encumbrances for the term of this agreement.
- Owner has full authority to enter into this agreement.
- The heifers placed in the care of GDC are TB negative.

CONTROLLER warrants and represents as follows:

- GDC warrants that the services under this Agreement shall be performed in a good and workmanlike manner,

in compliance with all applicable federal, state and local laws, rules and regulations.

- GDC warrants that the services provided herein shall be in full CSS compliance and in accordance with standard GDC quality control procedures.
- EXCEPT AS MAY BE EXPRESSLY SET FORTH ELSEWHERE IN THIS AGREEMENT, GDC MAKES NO REPRESENTATIONS, EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES OF TITLE OR NON-INFRINGEMENT, AND ASSUMES NO RESPONSIBILITIES WHATSOEVER WITH RESPECT TO USE, SALE, OR OTHER DISPOSITION BY CUSTOMER, ITS VENDEES OR OTHER TRANSFEREES OF THE DEVELOPED CALVES RESULTING FROM THE SERVICES PROVIDED BY GDC UNDER THIS AGREEMENT. IN NO EVENT SHALL GDC BE LIABLE TO CUSTOMER OR ANY THIRD PARTY WITH RESPECT TO ANY GOODS OR SERVICES PROVIDED HEREUNDER FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES (INCLUDING WITHOUT LIMITATION, LOST PROFITS). GDC's entire liability for the production, use or sale of the services herein, by any person or entity shall be strictly limited in accordance with this Section.

Insurance

GDC will make every effort to safeguard the health of the animals and will obtain competent veterinarian service when necessary, but will not be responsible for loss by fire, theft, injury, sickness, death, or in any other way. Insurance can be and should be obtained by Owner. It is Owner's sole responsibility to acquire and maintain liability, casualty or other insurance, adequate to protect Owner from any loss or injury of Owner's animals. Owner hereby waives any right of subrogation any insurer may have against Controller. The Owner agrees to rely solely on its own insurance for the recovery of or for any loss, damage or injury that might be in any way associated with this Agreement or Controller.

Dispute Resolution

The parties agree that any and all disputes arising under the terms of this Agreement shall be submitted to confidential and binding arbitration in accordance with the rules of the American Arbitration Association. Within ten (10) days after a party's written request for arbitration, the parties shall confer on selection of a single arbitrator mutually acceptable to the parties. The arbitration proceeding shall be held in Brazos County, Texas. The decision of the arbitrator shall be binding. The cost of arbitration shall be borne by the prevailing party.

Return of Heifer to Owner

Upon termination of the term of this Agreement, Heifer shall be released to Owner who shall remove Heifer from Controller's facility at Owner's expense. If Heifer is to be returned to Owner for any other reason as set forth above, Owner shall be notified of this fact in writing, and shall remove the Heifer within fifteen (15) days from the date of the mailing of such notice. After fifteen (15) days of notice, Controller shall have the right to dispose of the heifer and any expense incurred shall be paid by the Owner. Salvage value, if any, shall be credited or paid to Owner upon settlement of all accounts.

General Conditions

- This agreement shall be binding on the parties hereto, their heirs, executors, administrators, successors, and assigns.
- This agreement shall be governed by the laws of the State of Texas.
- Attachment A represents additional terms that are hereby incorporated by reference into this agreement. In the event of any inconsistencies between the Attachment and the body of this agreement, the terms of this agreement shall prevail.
- This agreement represents the entire agreement between the Parties. In the event any clause is found to be illegal or unenforceable the parties shall modify that provision to the extent necessary to attain the intent of the parties herein, without altering the other terms of the agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first written above.

**INGURAN LLC,
dba Genetic Development Center**

Maurice Rosenstein
Co-CEO
Date: _____

OWNER:

Name: _____
Title: _____
Date: _____

APPENDIX A

Owner Calves for Development at GDC

For Delivery to GDC on: _____, 2016

| ID / Name | Breed | Gender | Registration # | Birth Date | Birth wt. | Wean wt. | HPS | Sire, Name Number | Dam, Name Number |
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HPS – Horned, Polled, Scurred

GDC Verification of Delivery on: _____, 2016