

2017 TEXAS QUARTER HORSE ASSOCIATION RACE STALLION SERVICE PROGRAM

TQHA STALLION PROGRAM CONDITIONS

Participation in the 2017 TQHA Stallion Program is open to owners of registered American Quarter Horse or Thoroughbred stallions for which at least one 2017 breeding has been entered within the deadlines outlined in this agreement and with the understanding that the breeding must be subsequently sold by TQHA or repurchased as provided herein. As a condition of this contract the stallion owner/donor must agree to the following:

- Only AQHA registered foals sired by stallions whose breeding are sold or repurchased as hereafter provided will be eligible to compete in the races funded by the 2017 TQHA Stallion Program. Persons wanting to breed non-Quarter Horse or Thoroughbred mares, must seek approval from the stallion owner. Resulting foals that are not AQHA registered will not be eligible to race in TQHA Sires' Cup races.
- The stallion owner may charge normal mare care charges to mare owners. Please list applicable fees such as chute fee or farm fee under the Special Conditions Of Sale and attach to this contract.
- The TQHA is not responsible for any additional fees which are applicable to this breeding.

STALLION SERVICE AUCTION

After a stallion has been donated to the TQHA Stallion Program, services are offered for sale in an online bidding process. If a stallion stands at Private Treaty or is syndicated, an "established breeding fee" will be determined. In order for a bid to be considered, it must be at least 50% of the advertised or "established" 2017 breeding fee. If received between January 17 to April 1, 2017 the bid must be at least 50% of the advertised or "established" breeding fee (unless an established minimum has been set by the donating farm).

With the exception of breedings repurchased by donor, any breeding purchased through the 2017 TQHA Race Stallion Program must be used by purchaser, and may not be transferred or re-sold by the buyer.

OBLIGATION OF DONORS TO PURCHASE UNSOLD DONATED BREEDING

To be an eligible stallion for Sires' Cup races, the stallion owner or donor must agree to purchase such breeding from TQHA if it is not sold. To guarantee eligibility, the stallion owner will be responsible for the mandatory buy-back fee if the breeding has not sold one week prior to April 15, 2017. The repurchase fee for stallions standing for less than \$1,000 is \$300. For stallions standing for \$1,000 or more, the fee is \$500. Breeding must be repurchased prior to nomination deadline of the 2017 TQHA Sires' Cup races to maintain eligibility of offspring.

ELIGIBILITY OF OFFSPRING

In order for a horse to be eligible to participate in the 2017 TQHA Sires' Cup races, limited to offspring of TQHA Stallion Program they must be:

- (I) Registered with the American Quarter Horse Association
- (II) Sired by a stallion whose service has been sold in the 2017 Stallion Service Auction or
- (III) Sired by a stallion whose service was donated and sold in the year prior to the foaling date of nominating horse
- (IV) All owner(s)/lease(s) of said horse must be members of TQHA
- (V) Comply with published race conditions for age and gender
- (VI) Pay any applicable fees within deadlines

USE OF FUNDS FROM 2017 STALLION SERVICE PROGRAM

2017 TQHA SIRES' CUP RACES: 50% of the money designated to be added to races will be added to Sires Cup races.

(I)The donor of a breeding to the 2017 TQHA Race Stallion Service Program will receive one free berth per stallion donation, paid to the time of entry, in the 2017 TQHA Sires' Cup Futurity and Derby. These nominations are non-transferable and donor must name a foal sired by an eligible stallion on or before the nomination deadline for the race. At time of entry, donor must make the time of entry payment and any other applicable fees. Horse(s) nominated for TQHA Sires' Cup races must be owned or co-owned by donor of breeding.

(II)Other monies from the 2017 TQHA Stallion Service Program may be added to other such restricted races as deemed appropriate by the TQHA Executive Committee.

The remaining 50% of the gross monies received from the 2017 TQHA Stallion Service Program will be retained by the TQHA for administering and advertising this program and other promotional race programs of the TQHA.

STALLION AWARD

Stallion awards representing up to 20% of the nominating and sustaining payments and the TQHA added money for the 2017 TQHA Sires' Cup Futurity, Derby will be paid to the donor of the breeding of the stallion siring the first through fourth place finishers in the final. Other stallion awards may be paid from these funds in other races as deemed appropriate by the TQHA Executive Committee. The 20% stallion award will be distributed: 40%, 30%, 20%, 10%, respectively, for each race in places first through fourth.

EXECUTIVE COMMITTEE AND RULES

These rules may be altered or amended only by official action of the Executive Committee of the TQHA. Stallion owners, donors of breedings, purchasers of breedings and participants in races resulting from the 2017 TQHA Race Stallion Service Program agree to abide by and be governed by said rules and decisions of the Executive Committee of the TQHA.

Once the stallion breeding has been sold, TQHA will notify the stallion owner/donor by furnishing the name and address of the purchaser and will advise the purchaser to contact the stallion owner to make breeding arrangements.