

**EQUINE REPRODUCTION CONCEPTS, LLC***Modern Horse Breeding Technology*

111 Hackleys Mill Road
Amissville, Virginia 20106
Phone (540) 937-9832
Fax (540) 937-9862

EMBRYO TRANSFER
- Options, Fees and Descriptions-

Options

<p>① Embryo shipped to ERC Recipient - supplied by ERC Donor stabled - none</p>	<p>② Embryo Recovered by ERC Recipient - supplied by ERC Donor stabled - at ERC</p>
<p>③ Embryo Recovered by ERC Recipient - supplied by mare owner Donor and recipient stabled - at ERC</p>	<p>④ Embryo Recovered by ERC Recipient - supplied by mare owner Donor and recipient trailered in and out of ERC</p>
<p>⑤ Embryo Recovered by ERC Recipient - supplied by ERC Donor - trailered in</p>	<p>⑥ Embryo Cryopreserved at ERC Donor stabled - at ERC</p>

Total Cost Comparison by Option

	Option ①	Option ②	Option ③	Option ④	Option ⑤	Option ⑥
Entry Fee	\$1,750 ^B	\$2,250 ^B	\$2,250 ^B	\$0 ^B	\$1,750 ^B	\$2,250 ^B
Palpation	0	0	0	55	55	0
Insemination/breed	0	0 ^E	0 ^E	60-80	60-80	0
Embryo Flush	0	0	0	455	345	0
Transfer	0	0	1,750 ^C	1,750 ^C	0	0 ^F
Pregnant Recipient	3,100 ^D	3,100 ^D	0	0	3,100 ^D	0 ^F
Board Donor	0	757.50 ^A	757.50 ^A	0	0	757.50 ^A
Board Recipient	0	0	757.50 ^A	0	0	0 ^F
Board Pregnant Recipient	592.50 ^A	592.50 ^A	0	0	592.50 ^A	0 ^F
Total ^B	\$5,442.50	\$6,700.00*	\$5,515*	~\$2,320 +procedures	~\$5,902.50 +procedures	~\$3,007.50 +vitrification

A Fees based on 30 days of board. Each month thereafter will incur additional monthly boarding fees.

B Additional fees will be assessed for diagnostics, treatments (colic, uterine infection, etc.), and pharmaceuticals.

C This fee covers up to 3 embryo transfer attempts to achieve one pregnancy.

D After 3 pregnant recipients are leased, a \$300 discount will be offered for each additional pregnant recipient leased (now \$2,800/pregnant recip).

E An additional \$295/cycle will be charged for breeding with frozen semen.

F If in the future the embryo owner chooses to transfer the embryo(s) at ERC, then review the fees described under Option 6A (ERC recipient used) or Option 6B (recipient of embryo owner) for a full understanding of associated costs.

Description of Options

Option 1

Brief summary of option:

The embryo is recovered from the donor mare and shipped to ERC.

The recipient mare is supplied by Equine Reproduction Concepts (ERC).

If the recipient mare is removed from ERC, she must be returned to ERC in good health within 6 months after foaling or pay \$1,300 (\$2,000 for draft mares) to offset replacement costs.

Explanation of fees involved:

Entry Fee (\$1,750): This fee helps cover management of the recipient herd. Management includes daily teasing and palpation/ultrasonography of the entire herd. This acts to ensure that a recipient mare with a cycle close to that of the donor can be readily identified and subsequently be used for the embryo transfer. The nonrefundable entry fee in effect reserves a recipient mare for you.

Pregnant Recipient (\$3,100): After 30 days of confirmed pregnancy (23 days after the transfer), you are obligated to pay ERC a partial lease fee of \$1,550. After 65 days of confirmed pregnancy, you are obligated to pay ERC the remaining portion of the lease fee (\$1,550). At that time, the recipient mare comes with a live foal guarantee. A live foal is defined as a foal that stands and nurses from the mare. If the recipient mare loses the pregnancy after Day 65 but before Day 150 of gestation, after written verification by a veterinarian, ERC will credit back the amount of \$3,100 to your account to be used towards obtaining another pregnant recipient. If the recipient mare loses the pregnancy after Day 150 of gestation, after written verification by a veterinarian, ERC will credit back the amount of \$1,550 to your account to be used towards obtaining another pregnant recipient. The recipient mare that lost the pregnancy must be returned to ERC in good health or an additional \$1,300 payment will be necessary for purchase of replacement recipient(s).

Multiple Embryos (\$3,100): This fee would be charged for any additional pregnant recipient mares utilizing embryos from the same donor mare. It would include the same services covered under "Pregnant Recipient" above. No additional entry fees will be charged. After 3 pregnant recipients are leased, a \$300 discount will be offered for each additional pregnant recipient leased (now \$2,800/preg recip).

Other Fees: Board fees (\$19.75/day), veterinary and all other fees associated with care of the recipient mare will be charged once she is diagnosed pregnant at 14 days.

Long-term Recipient Boarding: Lessee has the option to board the recipient mare at ERC until foaling or weaning of the foal. Pasture board rate of \$19.75/day will be charged after day 14 until the 10th month, at that time the mare is moved into a stall (\$25.75/day board) for foaling purposes. After foaling, the board rate will be \$27.75/day until weaning. Please refer to Pregnant Recipient Mare Care information for more details.

Option 2

Brief summary of option:

The donor mare is stabled at ERC.

The embryo is recovered from the donor mare at ERC.

The recipient mare is supplied by Equine Reproduction Concepts (ERC).

If the recipient mare is removed from ERC, she must be returned to ERC in good health within 6 months after foaling or pay \$1,300 (\$2,000 for draft mares).

Explanation of fees involved:

Entry Fee (\$2,250): This fee covers management of the donor mare and recipient herd for up to 4 breeding cycles to obtain pregnant recipients. Management includes daily teasing and palpation/ultrasonography of all mares. This acts to ensure that a recipient mare with a cycle close to that of the donor can be readily identified and subsequently be used for the embryo transfer. The nonrefundable entry fee in effect reserves a recipient mare for you. Management of the donor mare includes palpation/ultrasound, artificial insemination (additional \$295/cycle fee for frozen semen) and embryo recovery. A fee of \$430 (per cycle with fresh or cooled semen) or \$550 (per cycle with frozen semen) will be charged for each additional cycle the donor mare is managed beyond the initial 4 breeding cycles.

Pregnant Recipient (\$3,100): After 30 days of confirmed pregnancy (23 days after the transfer), you are obligated to pay ERC a partial lease fee of \$1,550. After 65 days of confirmed pregnancy, you are obligated to pay ERC the remaining portion of the lease fee (\$1,550). At that time, the recipient mare comes with a live foal guarantee. A live foal is defined as a foal that stands and nurses from the mare. If the recipient mare loses the pregnancy after Day 65 but before Day 150 of gestation, after written verification by a veterinarian, ERC will credit back the amount of \$3,100 to your account to be used towards obtaining another pregnant recipient. If the recipient mare loses the pregnancy after Day 150 of gestation, after written verification by a veterinarian, ERC will credit back the amount of \$1,550 to your account to be used towards obtaining another pregnant recipient. The recipient mare that lost the pregnancy

must be returned to ERC in good health or an additional \$1,300 payment will be necessary for purchase of replacement recipient(s). All associated fees for the donor mare, such as board, semen shipments etc. will still be incurred.

Multiple Embryos (\$3,100): This fee would be charged for any additional pregnant recipient mares utilizing embryos from the same donor mare. It would include the same services covered under "Pregnant Recipient" above. No additional entry fees will be charged. After 3 pregnant recipients are leased, a \$300 discount will be offered for each additional pregnant recipient leased (now \$2,800/preg recip).

Other Fees: Board fees of \$25.75/day* (\$27.75/day* for mares with foals) will be charged for the donor mare. Miscellaneous charges may include any diagnostics, pharmaceuticals, and treatments of the donor mare required during her board at ERC. Board fees (\$19.75/day), veterinary and all other fees associated with care of the recipient mare will be charged once she is diagnosed pregnant at 14 days. *(includes up to 6 flakes hay + 6 lbs of pelleted or textured feed. Additional amounts or specialty feeds will be charged at cost.)

Long-term Recipient Boarding: Lessee has the option to board the recipient mare at ERC until foaling or weaning of the foal. Pasture board rate of \$19.75/day will be charged after day 14 until the 10th month, at that time the mare is moved into a stall (\$25.75/day board) for foaling purposes. After foaling, the board rate will be \$27.75/day until weaning. Please refer to Pregnant Recipient Mare Care information for more details.

Option 3

Brief summary of option:

The embryo is recovered from the donor mare at ERC.

The recipient mare is supplied by mare owner.

The donor and recipient mares are stabled at ERC.

Explanation of fees involved:

Entry Fee (\$2,250): This fee covers management of the recipient and donor mare for up to 4 breeding cycles to obtain pregnant recipients. Management includes teasing, palpation/ultrasonography, insemination (additional \$295/cycle fee for frozen semen) and embryo recovery. Synchronization of the cycles of the recipient mare and the donor mare is critical for a successful outcome. A fee of \$430 will be charged for each additional cycle the donor and recipient mare are managed beyond the initial 4 breeding cycles. (\$550 per cycle for frozen semen)

Embryo Transfer (\$1,750): After an embryo is recovered from the donor mare, it is transferred into a recipient mare. This fee covers up to three attempted transfers from the same donor mare to obtain one pregnancy. In other words, the fee is charged up-front and covers whether the recipient mare gets pregnant on the first, second or third transfer. This only applies to a single donor mare and a single pregnancy.

Multiple Embryos (\$1,300): If more than one embryo is recovered from a donor mare during the same flush, and results in a confirmed pregnancy, this fee would apply. This fee covers the cost of the transfer for the additional embryo recovered. You would supply the recipient mare.

Other Fees: Board fees of \$25.75/day* (\$27.75/day* for mares with foals) will be charged for the donor mare and recipient mare. Additional charges will apply for any necessary diagnostics, treatments, and pharmaceuticals for the donor and recipient mare including any pharmaceuticals used in synchronizing the mares. *(includes up to 6 flakes hay + 6 lbs of pelleted or textured feed. Additional amounts or specialty feeds will be charged at cost.)

Option 4

Brief summary of option:

The embryo is recovered from the donor mare at ERC.

The recipient mare is supplied by mare owner.

The donor and recipient mares are trailered in and out of ERC.

Explanation of fees involved:

Palpation / Insemination: There will be no additional palpation or insemination fees charged if those services are already done prior to coming to ERC. If palpation/insemination services are needed, each palpation/ultrasound exam is \$55; artificial insemination fees are \$60 for fresh and cooled semen and \$80 for frozen semen.

Embryo Flush (\$445): Upon arrival at ERC, the donor mare is flushed to recover an embryo to transfer. This fee includes flushing the donor mare with up to 3 liters of Complete flush media solution and filtering the resulting fluid. It also includes examining the fluid under a microscope to find an embryo. The charge applies even if an embryo is not recovered. Additional liters of recovery fluid will

be at a cost of \$30.00/liter.

Embryo Transfer (\$1,750): After an embryo is recovered from the donor mare, it is non-surgically transferred into a recipient mare. This fee covers up to three attempted transfers from the same donor mare to obtain one pregnancy. In other words, the fee is charged up-front and covers whether the recipient mare gets pregnant on the first, second or third transfer. This only applies to a single donor mare and a single pregnancy.

Multiple Embryos (\$1,300): If more than one embryo is recovered from a donor mare during the same flush, and results in a confirmed pregnancy, this fee would apply. This fee covers the cost of the transfer for the additional embryo recovered. You would supply the additional recipient mare.

Other Fees: Board fees of \$25.75/day* (\$27.75/day* for mares with foals) will be charged. Additional charges will apply for any necessary treatments of the donor and recipient mare including any pharmaceuticals. It is recommended that all recipients undergoing embryo transfer stay at ERC for 5-7 days to reduce stress-related issues with the potential pregnancy. *(includes up to 6 flakes hay + 6 lbs of pelleted or textured feed. Additional amounts or specialty feeds will be charged at cost.)

Option 5

Brief summary of option:

The donor mare is trailered in and out of ERC.

The embryo is recovered from the donor mare at ERC.

The recipient mare is supplied by Equine Reproduction Concepts (ERC).

If the recipient mare is removed from ERC, she must be returned to ERC in good health within 6 months after foaling or pay \$1,300 (\$2,000 for draft mares).

Explanation of fees involved:

Entry Fee (\$1,750): This fee covers management of the recipient herd. Management includes daily teasing and palpation/ultrasonography of the entire herd. This acts to ensure that a recipient mare with a cycle close to that of the donor can be readily identified and subsequently be used for the embryo transfer. The nonrefundable entry fee in effect reserves a recipient mare for you.

Palpation / Insemination: There will be no palpation or insemination fees charged for the donor mare if those services are already done prior to coming to ERC. If palpation/insemination services are needed, each palpation/ultrasound exam is \$55; artificial insemination fees are \$60 for fresh and cooled semen and \$80 for frozen semen.

Embryo Recovery (\$345): Upon arrival at ERC, the donor mare is flushed to recover an embryo to transfer. This fee includes flushing the donor mare with up to 3 liters of recovery media and filtering the resulting fluid. It also includes examining the fluid under a microscope to find an embryo. The charge applies even if an embryo is not recovered. Additional liters of recovery fluid needed will be at a cost of \$30.00/liter.

Pregnant Recipient (\$3,100): After 30 days of confirmed pregnancy (24 days after the transfer), you are obligated to pay ERC a partial lease fee of \$1,550. After 65 days of confirmed pregnancy, you are obligated to pay ERC the remaining portion of the lease fee (\$1,550). At that time, the recipient mare comes with a live foal guarantee. A live foal is defined as a foal that stands and nurses from the mare. If the recipient mare loses the pregnancy after Day 65 but before Day 150 of gestation, after written verification by a veterinarian, ERC will credit back the amount of \$3,100 to your account to be used towards obtaining another pregnant recipient. If the recipient mare loses the pregnancy after Day 150 of gestation, after written verification by a veterinarian, ERC will credit back the amount of \$1,550 to your account to be used towards obtaining another pregnant recipient. The recipient mare that lost the pregnancy must be returned to ERC in good health or an additional \$1,300 payment will be necessary for purchase of replacement recipient(s). All associated fees for the donor mare such as palpation/ultrasound, insemination and embryo recovery will still be incurred.

Multiple Embryos (\$3,100): This fee would be charged for any additional pregnant recipient mares utilizing embryos from the same donor mare. It would include the same services covered under "Pregnant Recipient" above. No additional entry fees will be charged. After 3 pregnant recipients are leased, a \$300 discount will be offered for each additional pregnant recipient leased (now \$2,800/preg recip).

Other Fees: Board fees (\$19.75/day), veterinary and all other fees associated with care of the recipient mare will be charged once she is diagnosed pregnant at 14 days.

Long-term Recipient Boarding: Lessee has the option to board the recipient mare at ERC until foaling or weaning of the foal. Pasture board rate of \$19.75/day will be charged after day 14 until the 10th month, at that time the mare is moved into a stall (\$25.75/day* board) for foaling purposes. After foaling, the board rate will be \$27.75/day* until weaning. Please refer to Pregnant Recipient Mare Care information for more details. *(includes up to 6 flakes hay + 6 lbs of pelleted or textured feed. Additional amounts or specialty feeds will be charged at cost.)

Option 6

Brief summary of option:

The donor mare is stabled at ERC.

The embryo is recovered from the donor mare at ERC and vitrified.

If transferring at ERC in the future, the recipient mare can be supplied by ERC (Option 6A), or supplied by the owner of the embryo (Option 6B).

If ERC recipient mare is removed from facility, she must be returned to ERC in good health within 6 months after foaling or pay \$1,300 (\$2,000 for draft mares).

Explanation of fees involved:

Entry Fee (\$2,250): This fee covers management of the donor mare for up to 3 breeding cycles to obtain embryos for vitrification. Management of the donor mare includes palpation/ultrasound, artificial insemination (additional \$295/cycle fee for frozen semen) and embryo recovery. A fee of \$430 (per cycle with fresh or cooled semen) or \$550 (per cycle with frozen semen) will be charged for each additional cycle the donor mare is managed beyond the initial 4 breeding cycles.

Embryo Vitrification (\$475): If the recovered embryo is at an acceptable stage of development, the embryo will be taken through the vitrification process and put into storage.

Other Fees: Board fees of \$25.75/day* (\$27.75/day* for mares with foals) will be charged for the donor mare. Miscellaneous charges may include any diagnostics, pharmaceuticals, and treatments of the donor mare following breeding or any treatments required during her board at ERC. Board fees (\$19.75/day), veterinary and all other fees associated with care of the recipient mare will be charged once she is diagnosed pregnant at 14 days. *(includes up to 6 flakes hay + 6 lbs of pelleted or textured feed. Additional amounts or specialty feeds will be charged at cost.)

Embryo Storage (\$30/month): Storage fee for 1-7 embryos is billed quarterly until such a time when the thaw process and transfer occurs.

Transfer into ERC Recipient Mare (Option 6A)

Transfer of Vitrified Embryo into ERC Recipient (\$650): Fee charged if at such a time the client elects to thaw and transfer a vitrified embryo into an ERC recipient mare. This fee will be credited towards recipient lease fee if the recipient mare is confirmed 65 days pregnant.

Pregnant Recipient (\$3,100): After 30 days of confirmed pregnancy (23 days after the transfer), you are obligated to pay ERC a partial lease fee of \$1,550. After 65 days of confirmed pregnancy, you are obligated to pay ERC the remaining portion of the lease fee \$1,550 (minus \$650 embryo transfer fee). At that time, the recipient mare comes with a live foal guarantee. A live foal is defined as a foal that stands and nurses from the mare. If the recipient mare loses the pregnancy after Day 65 but before Day 150 of gestation, after written verification by a veterinarian, ERC will credit back the amount of \$3,100 to your account to be used towards obtaining another pregnant recipient. If the recipient mare loses the pregnancy after Day 150 of gestation, after written verification by a veterinarian, ERC will credit back the amount of \$1,550 to your account to be used towards obtaining another pregnant recipient. The recipient mare that lost the pregnancy must be returned to ERC in good health or an additional \$1,300 payment will be necessary for purchase of replacement recipient(s). All associated fees for the donor mare, such as board, semen shipments etc. will still be incurred.

Multiple Embryos (\$3,100): This fee would be charged for any additional pregnant recipient mares utilizing vitrified embryos from the same embryo owner. It would include the same services covered under "Pregnant Recipient" above. No additional entry fees will be charged other than the initial transfer fee of \$650.00. After 3 pregnant recipients are leased during the same breeding season, a \$300 discount will be offered for each additional pregnant recipient leased (now \$2,800/preg recip).

Long-term Recipient Boarding: Lessee has the option to board the recipient mare at ERC until foaling or weaning of the foal. Pasture board rate of \$19.75/day will be charged after day 14 until the 10th month, at that time the mare is moved into a stall (\$25.75/day board) for foaling purposes. After foaling, the board rate will be \$27.75/day until weaning. Please refer to Pregnant Recipient Mare Care information for more details.

Transfer into Recipient Mare provided by Embryo Owner (Option 6B)

Transfer of Vitrified Embryo into Non-ERC mare (\$1,750): This fee covers management of the recipient and transfer of vitrified embryo. Management includes teasing, palpation/ultrasonography, and embryo transfer. This fee covers up to two attempted transfers for the same embryo owner to obtain one pregnancy. In other words, the fee is charged up-front and covers whether the recipient mare gets pregnant on the first or second transfer. This only applies to obtain a single pregnancy.

Other Fees: Board fees of \$25.75/day* (\$27.75/day* for mares with foals) will be charged for recipient mare. Additional charges will apply for any necessary diagnostics, treatments, or any pharmaceuticals used. *(includes up to 6 flakes hay + 6 lbs of pelleted or textured feed. Additional amounts or specialty feeds will be charged at cost.)

Miscellaneous Embryo Transfer Fees

Embryo Recovery for shipment to another facility	\$ 455.00
Processing embryo for shipment	\$ 150.00
Equitainer deposit	\$ 325.00
Shipment of Equitainer (AIRLINES)	~\$ 115.00
Transportation to airport	\$ 105.00
Transportation to airport (late night - after 9 pm)	\$ 115.00
Two-day return service (UPS/FEDEX)	~\$ 85.00
Rental of Equitainer	\$ 35.00
Late fee for Equitainer return (if not returned within 5 days of shipment)	\$ 10.00/day
Extra flush media (if needed beyond first 3 liters used)	\$ 30.00/liter
Embryo Freezing Process	\$ 475.00
Pharmaceutical/Medicine Package (Options #3, #4, & #6B)	\$ 170.00