



“THERE HAS BEEN A NEED FOR A SIMPLE, ECONOMICALLY FEASIBLE AND STRUCTURED WAY TO BUY EMBRYOS OUT OF MARES, BUT NO ONE HAS EVER BEEN ABLE TO IMPLEMENT THE RIGHT SOLUTION.

SELECT GENES IS POISED TO FILL THAT NEED”. - Melanie Smith, Founder

To Our Mare Owners,

My goal for Solo Select has always been to be **"The Very Best"**. It's not just a saying—it's a way of life. I have worked diligently to put together the best facilities, the best team, the best horses and the best customers.

Solo Select now manages a superior group of mares, and we are ready to share them with the world. We are always looking for ways to maximize your investment—and we feel Select Genes is an incredible opportunity to do just that.

Many years ago, before the advancement of shipped semen and artificial insemination, breeders were limited to only crossing their mares to their own stallions, or a stallion to which they could haul. Shipped semen changed the industry, making top-tier stallions accessible globally. While most could not afford to buy a leading stallion, now, they had easy, affordable access to world-class, proven genetics. This has molded the industry to what we see today.

The public has had access to exceptional stallions for years; however, they have never had access to elite maternal genes. I have spoken to thousands of people over my career about mares. People always want the best, but the upfront cost of a big-time mare is more than most can afford. Some have tried to buy embryos, but the contracts are complicated, and they often tie-up a mare for the entire breeding season if the flushes are unsuccessful. It's a hassle for both the buyer and the seller, and it's limited the growth of the industry. There has been a need for a simple, economically feasible and structured way to buy embryos out of mares, but no one has ever been able to implement the right solution.

Select Genes ***is poised to fill that need.***

This program will feature a premier group of mares from multiple disciplines, with different tiers and prices to suit everyone's taste and budget. I have tried to make a complicated process easy to understand and hassle free for everyone involved, and I outline that on the following pages.

You've made a substantial investment in your mares and your legacy as a breeder. I know the considerable cost of breeding and maintaining a mare. This program can help you recoup some of that investment, with no upfront cost to you.

I want to thank you for the opportunity to care for your mares and help guide you in this industry. I look forward to sharing this exciting program with you. I will do everything in my power to insure it is **"The Very Best."**

Sincerely,



Melanie Smith, Founder - Select Genes



THE SELECT GENES

PROCESS

FOR MARE OWNERS

STEP 1

SELECT THE MARE

STEP 2

SELECT THE STALLION

A buyer will have the option to choose any stallion they like—they will truly be able to create their custom foal. However, the mare owner will be able to approve or disapprove a stallion choice after the contract is submitted.

STEP 3

MAKE THE PURCHASE

At this point, the buyer can purchase their Custom ICSI Aspiration on the website. This will be a seamless process. They will fill in their information and answer a few questions. The information they give will automatically populate a contract that they will sign via DocuSign on the website. The buyer will pay a \$500 deposit—all done through the website, with no complication.

STEP 4

STALLION APPROVAL & CONTRACT REVIEW

Our office will process the contract and contact the mare owner to review the stallion choice and embryo cap, if any. (See the next page for additional information on this.) If a stallion choice is disapproved, the buyer will have the opportunity to either choose another stallion, choose another mare, or receive their deposit back. When the contract is signed by all parties, Select Genes will collect the full payment, which will be stored in a trust account until the contract has been fulfilled.

STEP 5

THE ASPIRATION PROCESS

Select Genes will handle scheduling the aspiration process. The contract gives us six months to aspirate the mare, giving us the flexibility to work around your planned breedings. As always, we will schedule the mare for aspiration when she has the maximum number of follicles.

STEP 6

EMBRYO CREATION

Select Genes transfers the oocytes to the lab to begin the ICSI process. Select Genes has full control over the ICSI lab used. The buyer is required to have their credit card on file with the ICSI lab, as buyer is responsible for all fees associated with embryo creation and vitrification.

STEP 7

TRANSFER OF EMBRYOS

If Select Genes aspirates the mare during the breeding season, at least one embryo will be transferred as a fresh embryo. Additional embryos can be transferred or vitrified (frozen) based on the buyers' request. If the breeding happens during the off-season, all embryos will be vitrified. See page 4 for information on both the Viable Embryo Guarantee and the policy for Additional Embryos.

STEP 8

REGISTRATION PERMITS

Select Genes will handle ALL applicable registration paperwork for both mare and stallion owners during this process. You may choose to sign your paperwork personally, via DocuSign, or by granting Select Genes a Power of Attorney to sign on your behalf on these specific documents. Select Genes holds all registration documents to secure payment on embryos.

STEP 9

PAYMENT TO MARE OWNER

When a veterinarian deems the embryo viable (55 days in a recipient mare), the initial contract is considered fulfilled, Select Genes will make full payment to the mare owner within five business days. The payment is calculated as follows: Initial Embryo Purchase Price + Select Genes Commission + Chute Fee. The commission for selling the aspirations is 30% of the total purchase price. The buyer is solely responsible for all fees at the ICSI lab and all registration costs.

THE DETAILS

VIABLE EMBRYO GUARANTEE

For the first embryo only, when the recipient mare is checked to be fifty-five (55) days in-foal, buyer shall assume full responsibility, including all risk of loss, and the contract is considered fulfilled. The buyer may elect to have their embryo insured with the insurance company of their choice. This is suggested, but not required.

If an embryo is implanted that does NOT work to 55 days in a recipient mare, the buyer will need to continue to implant their additional embryos stored until a viable embryo is successful.

If the fresh or frozen embryo(s) implanted during the breeding season do not create a Viable Embryo, and ALL fresh or frozen embryo(s) created within the agreement have been unsuccessfully implanted into recipient mares, the buyer will have the options of:

- (1) - Paying an additional chute fee and aspirating the same mare either in the 2023 breeding season or in the 2024 breeding season, if stated mare is available for aspiration, and mare owner and Select Genes both approve of additional aspiration
- (2) - Using the purchase price, minus the chute fee, (defined as "credit"), toward a new mare in the Select Genes program. The use of the credit on a specific mare must be approved by both new mare owner and Select Genes.

To help you understand our Viable Embryo Guarantee, we want to define some of our terms:

Viable Embryo: An embryo is considered viable when the recipient mare is checked to be fifty-five (55) days in-foal by a licensed veterinarian. It is also insurable at this time.

First Embryo: the first embryo of the aspiration that makes it to a 55 day check in a recipient mare.

Credit: The purchase price, minus the chute fee, that may be used on an additional aspiration if no viable embryos are made.

Chute Fee: \$2,000 fee that is included with the buyers first aspiration purchase. It covers the aspiration and the initial ICSI fee in the lab.

ADDITIONAL EMBRYOS

In the ICSI procedure, having multiple embryos result from one aspiration is common. The buyer will be responsible for paying the embryo creation/vitrification (freezing) fees and frozen embryo permit fees on all vitrified embryos. These frozen embryos will be the buyer's to use within the next five (5) years. The ICSI Lab will store all frozen embryos until the buyer requests to have them warmed for transfer into a recipient mare. Select Genes will approve all transfers and verify that embryos are transferred to an approved recipient mare facility.

Select Genes will require the buyer to pay a fee of 50% of the Purchase Price for each Additional Embryo that produces a foal that stands and sucks, which is referred to as a "Live Foal." The buyer must notify Select Genes in writing, within twenty-four (24) hours of the foal birth. Select Genes will issue an invoice to the Buyer within one (1) business day, which must be paid in full within seven (7) days of receipt. When buyer makes the full payment, Select Genes will transfer the frozen embryo permit to the buyer by use of an American Quarter Horse Association Transfer.

The mare owner will be paid within 5 business days of payment receipt for additional embryos. The 30% commission will be taken out of the proceeds. The mare owner's account with Solo Select Horses, LLC must be current, or the proceeds will be applied to the account.

EMBRYO CAP

The buyer may put a cap on the number of embryos produced—the minimum cap for every contract is three (3). If the buyer chooses to place a cap on the number of embryos produced, the mare owner may elect to take ownership of any embryos buyer does not want. If you wish to take ownership of the additional embryos created over the cap, you will be responsible for paying for the embryo production/vitrification fee(s) for those embryos. If you do not choose to take ownership of any potential additional embryos, ICSI lab will dispose of any embryos over the cap.

MARE OWNER COMMITMENT

Mare owners will have NO upfront or out-of-pocket cost to participate in this program. Select Genes will professionally present and advertise your mare to millions of consumers through our vast marketing reach on multiple platforms.

Mare owners who request to enroll their mares in the Select Genes program will be required to commit to a one-year contract to board their mare with Solo Select Horses, LLC. Mares that are not year-round residents will not be eligible to be listed in the Select Genes program.

Select Genes will charge a commission of 30% for the first viable embryo, and the additional embryos when they produce a live foal. This will be automatically deducted from the purchase price before payment to you is made.

FAQ

How are the proceeds collected and held for the first Viable Embryo, and when are they paid out?

When a contract is submitted, the buyer will make a \$500 deposit. When the contract is accepted by the Mare Owner and Select Genes, the buyer will remit the remaining balance of the purchase price. The initial purchase price is paid in full and up front, before the ICSI aspiration occurs. These funds are held in a holdings account managed by Select Genes. When the aspiration is scheduled, Select Genes will withdraw the \$2,000 chute fee to cover the cost of the aspiration, and the initial ICSI cost at the lab. The remainder of the purchase price will stay in the holdings account until a viable embryo is produced. Once the first embryo is considered viable (at 55 days), Select Genes will remit the proceeds to you within 5 business days. If no embryos work, the buyer simply has a credit with Select Genes. No refunds are made.

What happens if no embryos are produced from an ICSI, or if none of the embryos work in a recipient mare?

If no embryos are produced from an ICSI, the buyer will have a credit applied to their Select Genes account for the purchase price, minus the chute fee. Select Genes holds all funds in a holdings account until a contract has been fulfilled, so there will be no refunds that need to be issued from the mare owner.

For example - Joe buys a Custom Aspiration out of the mare Mobster Cash for \$10,000. Select Genes will withdraw \$2,000 from the holdings account to cover the chute fee. The aspiration is scheduled, oocytes are retrieved, and the ICSI procedure is performed in the lab. Two embryos are created. One embryo is transferred as a fresh embryo, and the other embryo is frozen. The first embryo does not work in a recipient mare. The frozen embryo is implanted, and also fails to work. Since no viable embryo has been produced, the \$8,000 in the holdings account will be kept there, and the buyer will have a credit. They may choose to use this credit on the same mare, if you approve of it, OR they may apply the credit to any other mares purchase price in the program. If they choose your mare again, and you approve, they will need to pay an additional chute fee.

The mare owner will have no out of pocket costs for this program. Select Genes will internally handle all funds until a contract has been fulfilled.

How does the registration process work for a buyer? Are they the breeder on the resulting foal(s)?

Select Genes will handle all the paperwork for both the buyer and seller to ensure everything is done correctly, and all payments are cleared before foals may be registered. We will submit a breeding lease on the buyers behalf, so they will be the breeder on any resulting foals.

See an excerpt from the buyers contract explaining the process for issuing a breeding lease, registration applications and frozen embryo permits. Please note, there are THREE different scenarios that will dictate the process we use to file for registration paperwork with AQHA. This is done to insure all payments are made before a buyer will be able to register any additional foals

Scenario 1:

If ONLY one (1) embryo is transferred as a fresh embryo, the AQHA Breeding Lease form will not be submitted to AQHA until the embryo is considered to be a Viable Embryo. If Additional Embryos are frozen, the Frozen Embryo Permits will be submitted to AQHA at the same time that the Additional Embryos are frozen. When the Frozen Embryo Permits are submitted, the Buyer will be required to sign a transfer on each Frozen Embryo Permit in favor of Select Genes (the "Transfer(s)"). Select Genes will hold all Frozen Embryo Permits in their possession until the resulting live foal is born, and all applicable costs and fees are paid in full.

Scenario 2:

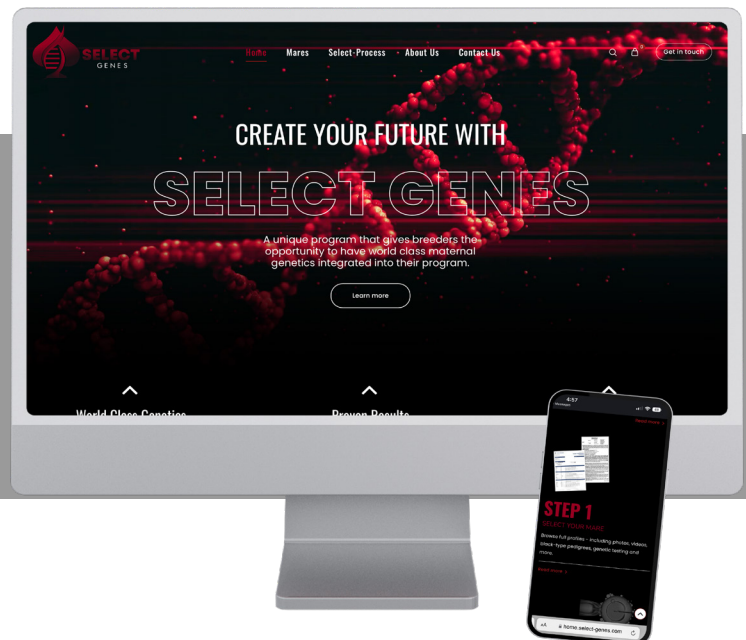
If two (2) or more embryos are transferred as fresh embryos, the AQHA Breeding Lease form will be held until the Additional Embryo(s) produce a live foal or it is determined a live foal is not produced. Upon such determination, and further upon the payment of all applicable cost and fees being paid by Buyer in connection with the Additional Embryos, Select Genes will submit the AQHA Breeding Lease so that the applicable breeders certificates may be issued. Frozen Embryo Permits and Transfers will also be submitted at this time.


Scenario 3:

If all embryos are frozen, an AQHA Breeding Lease and the Frozen Embryo Permits and Transfers will be submitted to AQHA



Let our Marketing & Expertise in the
Reproduction Industry go to
Work for You.



 Melanie Smith, **Founder**

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