

SYNDICATE AGREEMENT

THIS SYNDICATE AGREEMENT (the "Agreement") is made and entered into as of the _____ day of _____, 2015, by and among DIAMOND CREEK FARM, LLC, a Kentucky limited liability company (USTA# 944J16), whose address is 6146 Paris Pike, Georgetown, Kentucky 40324, BRITTANY FARMS (USTA #4702A1), whose address is P.O. Box 518, Versailles, Kentucky 40383, CHRISTINA TAKTER (USTA #231B33), whose address is 1079 Old York Rd., East Windsor, New Jersey 08520, BRIXTON MEDICAL, INC. (USTA #924M56), whose address is c/o Flom, French & Goodwin LLC, 432 Route 34, Suite 1A, Matawan, New Jersey 07747, JOHN D. FIELDING (USTA #J18893), whose address is 45 Progress Avenue, Scarborough, Ontario, Canada M1P 2Y6, and MKATZ ALIBFELD SGOLDBAND (USTA #185E95), whose address is 299 Roehampton Ave., Rental Office, Toronto, Ontario, Canada M4P 1S2 (collectively the "Original Owners"), and DIAMOND CREEK FARM, LLC, a Kentucky limited liability company (USTA# 944J16), whose address is 6146 Paris Pike, Georgetown, Kentucky 40324 (the "Syndicate Manager")(the undersigned, together with all other subscribers to Shares in the Syndicate who execute counterparts hereof and the Original Owners being hereafter referred to as "Syndicate Member" or "Member" or collectively "Syndicate Member or Members" or "Shareholder" or collectively "Shareholders").

W I T N E S S E T H:

WHEREAS, Original Owners are the sole owners of the Standardbred colt named FATHER PATRICK (2011) (Tattoo # 4J524) by CANTAB HALL out of GALA DREAM (the "Colt" or "Stallion"); and

WHEREAS, the Original Owners wish to form and by this Agreement do form a breeding syndicate dividing the ownership of the Stallion into one hundred twenty (120) equal undivided Shares (the "Shares"); and

WHEREAS, the parties hereto desire to set forth the terms and conditions which govern the standing and development of the Stallion at stud for breeding purposes under the supervision and management of the Syndicate Manager;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter provided, the parties hereby agree as follows:

I.

CREATION OF THE SYNDICATE

a) Ownership of the Stallion. Upon the effective date of this Agreement and subject to the provisions of this Agreement, ownership of the Stallion shall be established as consisting of one hundred twenty (120) shares, each of which represents an undivided one-one hundred twentieth (1/120) interest in the Stallion, which shall be evidenced by copies of this Agreement serially numbered 1 through 120, inclusive, as follows:

DIAMOND CREEK FARM,
LLC

20 Shares,
Nos. 1 through 20
inclusive; provided, Share
Nos. 17 through 20 shall be
“Frozen Semen Shares” (as
hereinafter defined)

BRITTANY FARMS

20 Shares
Nos. 21 through 40
inclusive; provided, Share
Nos. 37 through 40 shall be
Frozen Semen Shares

CHRISTINA TAKTER

20 Shares,
Nos. 41 through 60
inclusive; provided, Share
Nos. 57 through 60 shall be
Frozen Semen Shares

BRIXTON MEDICAL, INC.

20 Shares,
Nos. 61 through 80
inclusive; provided, Share
Nos. 77 through 80 shall be
Frozen Semen Shares

JOHN D. FIELDING

20 Shares,
Nos. 81 through 100
inclusive; provided, Share
Nos. 97 through 100 shall
be Frozen Semen Shares

MKATZ ALIBFELD
GOLDBAND

20 Shares, Nos. 101 through
120
inclusive; provided, Share
Nos. 117 through 120
shall be Frozen Semen
Shares

Upon the Effective Date of this Agreement (as hereinafter defined), the Syndicate Manager shall issue and deliver the Shares to the holders of Shares or to their assignees (the "Shareholders") to evidence the ownership established herein.

b) Miscellaneous. Each Share shall be entitled to equal rights and privileges, and subject to equal duties and obligations with every other Share, and shall be subject to all of the terms and conditions of this Agreement. Each Share shall not be capable of further division, except that a Share may be owned by two or more parties. Only a full Share shall have any rights hereunder. If a Share is held in the name of more than one person, the Syndicate Manager and the Syndicate Members shall be entitled to deal with and to accept, rely upon and act upon any information, instructions or facts represented by the person designated by the owners of the Share, and if no one is designated, the Syndicate Manager and the Syndicate Members shall be entitled to deal with and to accept, rely upon and act upon any information, instructions or facts represented by any one of such persons and shall be fully protected in so relying and acting. If a Share is held by a corporation, limited liability company, trust or partnership, the Syndicate Manager and the Syndicate Members shall be entitled to deal with, accept, rely upon and act upon any information, instructions or facts represented by any officer or director of the corporation, member or manager of the limited liability company, trustee of the trust or general partner of a general or limited partnership.

c) Breeding Rights. Jimmy Takter shall be entitled to four (4) lifetime breeding rights, Yannick Gingras shall be entitled to one (1) lifetime breeding right, and Perry Soderberg shall be entitled to one (1) lifetime breeding right (collectively the "Breeding Rights"). Each Breeding Right shall be the right to breed one (1) Standardbred mare to

the Stallion each Northern Hemisphere breeding season for the lifetime of the Stallion. The Breeding Rights shall be noncumulative from year to year. The Breeding Rights shall be non-transferable provided the nominations derived therefrom may be sold or transferred for the then current breeding season. Any nomination not used in any breeding season shall not carry over to any subsequent breeding season. Ownership of a Breeding Right shall not represent any ownership interest in the Stallion and shall not represent any obligation to pay any expenses of maintaining the Stallion.

d) Initial Sales of Shares. Each Owner who sells a Share shall deliver to each purchaser a bill of sale or assignment reasonably acceptable to Syndicate Manager, which shall be executed and delivered by Owner to each purchaser conveying, transferring and setting over to each purchaser the number of Shares which each purchaser has agreed to purchase.

e) Membership in Syndicate. Each entity or individual who acquires a Share shall become a Syndicate Member of the FATHER PATRICK Syndicate. The use of the term "Syndicate" is solely for convenience, and is not intended, and shall not be deemed to imply, that such Syndicate constitutes a partnership, association, legal person or jurat entity.

f) Relationship of the Syndicate Members and the Syndicate Manager. The relationship of the Syndicate Members among themselves shall be that of tenants in common of a chattel, the Stallion, the right to the possession of which shall be vested in the Syndicate Manager subject to the terms and conditions of this Agreement. The relationship of the Syndicate Members to the Syndicate Manager shall be that of principal and agent, with the agency of the Syndicate Manager being one that is coupled with an interest in the subject matter of the agency during any period in which the Stallion shall be maintained under the care of the Syndicate Manager. The Syndicate Members and the Syndicate Manager may engage in any other business venture of any nature, including, but not limited to, the ownership, management, training, racing, breeding, sale and purchase of Standardbreds, including stallions and stallion prospects, none of which shall

be considered to conflict with any duties hereunder, and neither the Syndicate, the Syndicate Manager nor any Syndicate Member shall have any right to such ventures or to the income and profits derived therefrom. The Syndicate Manager shall not be expected to devote itself exclusively to its duties as Syndicate Manager.

g) Effective Date of Syndicate. The effective date of this Agreement shall be October 10, 2015, 2015 (the "Effective Date"), and all the terms and conditions set forth herein shall become effective and binding as of such date.

II.

BREEDING ACTIVITIES OF STALLION

a) Delivery to Diamond Creek Farm. The Stallion has been retired from racing and delivered to Diamond Creek Farm, Wellsville, Pennsylvania. Upon the Effective Date, the Syndicate Manager shall assume the duties and obligations set forth herein.

b) Management and Boarding. During its breeding career, the Stallion shall stand at stud at Diamond Creek Farm, Wellsville, Pennsylvania under the supervision, management and control of Diamond Creek Farm, LLC, which is designated as Syndicate Manager. The Stallion shall remain at Diamond Creek Farm and Syndicate Manager shall maintain possession of the Stallion during his breeding career until resignation in accordance with the terms and condition of this Agreement.

c) Nominations. Each Shareholder shall be entitled to one (1) free nomination in the Stallion in each Northern Hemisphere breeding season for each Share owned. Each nomination shall be the right to breed one (1) Standardbred mare to the Stallion each Northern Hemisphere breeding season for the lifetime of the Stallion. There shall be no accumulation of nominations from year to year and any Nomination not utilized in any breeding season shall be forfeited. Notwithstanding anything set forth in this Agreement, all breedings to the Stallion on any nomination shall be by artificial insemination, which, subject to the terms of this Section, may include the Stallion Manager shipping cooled or frozen semen to a Shareholder or other holder or purchaser of a nomination pursuant to such procedures and upon such terms as shall be determined by the Stallion Manager and

in accordance with any rules of the United States Trotting Association (the “USTA”). Notwithstanding anything set forth in this Agreement, the nominations for the Frozen Semen Shares identified in Article I, Section a) (the “Frozen Semen Shares”) shall only be used for frozen semen breeding and shall not include cooled semen, unless a veterinarian selected by the Syndicate Manager determines that the Stallion may safely increase his book to include more fresh cooled semen nominations. In the event the Stallion’s book can be increased to include more fresh cooled semen nominations, fresh cooled semen nominations relating to the Frozen Semen shares shall only be distributed in increments of six (6) (i.e., each Original Owner shall be entitled to at least one (1) nomination), and in the event the Stallion’s book cannot be increased to accommodate an increment of six (6), fresh cooled semen shall not be issued for that increment. The Frozen Semen Shares shall be non-transferable, provided the nominations derived therefrom may be sold or transferred for the then current breeding season.

d) Use of Nominations. Once a mare has been bred to the Stallion in a breeding season, the nomination shall be deemed to have been used and no other mare may be substituted for breeding to the Stallion in that same year. Notwithstanding the foregoing, in the event a mare dies during the breeding season when bred, the nomination shall not be deemed to have been used and another mare may be substituted for breeding to the Stallion in that same breeding season.

e) Normal Book. The “Normal Book” of mares to which the Stallion will be bred during each Northern Hemisphere breeding season shall be one hundred forty (140) mares, of which one hundred twenty (120) mares shall be bred on the regular nominations of the Shareholders, six (6) mares shall be bred on the nominations of the Breeding Rights set forth in Article I, Section c), twelve (12) mares shall be bred on the nominations of the Syndicate Manager, and the Stallion Manager, in its sole discretion, shall further have the right to sell or donate two (2) nominations to benefit a charity.

f) Breeders' Crown and State Incentive Programs. The Syndicate Manager shall nominate the Stallion and its progeny for eligibility for the Breeders' Crown program and

any applicable state breeders' incentive programs. The cost of nominations shall be treated as a Syndicate Expense.

g) Reduced Book of Mares. Should the Syndicate Manager, in the event of a change in the rules of the USTA or after consultation and advice from an attending veterinarian, in its discretion, determine that the Stallion may not be bred safely to the Normal Book of mares, the Syndicate Manager shall determine the number of mares to which the Stallion may be bred based on its fertility, and the Stallion shall be bred only to such reduced number of mares (the "Reduced Book"). The Shareholder, the Syndicate Manager and the holders of the Breeding Rights shall be entitled to participate in a Reduced Book as set forth below. In no event shall the "Syndicate Manager's Nominations" (as hereinafter defined) be reduced, and the Syndicate Manager's Nominations shall be entitled to first priority in the event of a reduced book. Thereafter, the extent of participation by the Shareholders and the holders of the Breeding Rights shall be determined by lot. Each Shareholder and the holders of the Breeding Rights shall be entitled to one draw for each nomination to which they would otherwise be entitled in a Normal Book. Notice of the fact that there will be a Reduced Book, the number to which the book is to be reduced, and the time and place of the drawing shall be sent by the Syndicate Manager to each participant at least ten (10) calendar days prior to the drawing. If the reduction in the book occurs after the beginning of the breeding season, any participant that has participated in the book before the reduction takes place shall be treated as if it had been included in the drawing and had drawn the right to a nomination for that breeding season.

Each nomination drawn to participate in a Reduced Book shall be excluded from participating in any subsequent breeding season for which there is a Reduced Book until all eligible nominations have been drawn for participation in a Reduced Book. No nominations relating to a subsequent breeding season shall participate in a Reduced Book until all nominations from the season of the initial Reduced Book have participated in a breeding season to the exclusion of the other Shareholders. When the number of nominations that have not been excluded from participating in a Reduced Book is less than or equal to the number of mares in

the Reduced Book for any breeding season, a new Reduced Book shall be constituted for the balance of nominations for that breeding season. The provisions hereinabove set forth for determining participation in the Reduced Book shall apply.

h) Maximum Book, Frozen Semen Excess Book. The Normal Book shall be the maximum book for the Stallion for the North American Northern Hemisphere Breeding Season, and there shall be no excess book for the North American Northern Hemisphere Breeding Season. Notwithstanding the foregoing, should the Syndicate Manager determine, after consultation and advice from the attending veterinarian, that semen may be safely collected from the Stallion in excess of the Normal Book, the Syndicate Manager may collect semen from the Stallion for disposition and/or sale as frozen semen outside of North America in the Northern Hemisphere. The Owners shall be entitled to a proportionate share of the proceeds from the sale of such frozen semen outside of North America in the Northern Hemisphere by the Syndicate Manager, as determined by the Syndicate Manager. The plan of the Syndicate Manager for the disposition of such frozen semen outside of North America in the Northern Hemisphere shall be made in consultation with one or more of the Owners. The Syndicate Manager may at any time cancel or defer any portion of the disposition of such frozen semen outside of North America in the Northern Hemisphere for any year in which the Syndicate Manager should determine such action to be in the best interests of the Stallion.

i) Condition of Stallion and Mares. The Stallion shall not be bred at any time or under any circumstances or conditions when to do so would be injurious to the Stallion's health, fertility or future breeding capacity, and the determination of the Syndicate Manager, respecting the same, shall be conclusive. Each mare nominated, offered for breeding or bred to the Stallion shall be in sound breeding condition and free from infection and disease, and the determination of the Syndicate Manager of the mare's condition shall be conclusive.

j) Southern Hemisphere Breeding Activities. The Syndicate Manager may allow the Stallion to be bred during the Southern Hemisphere breeding season while boarded at

Diamond Creek Farm, Wellsville, Pennsylvania, or a vote of sixty percent (60%) of the Original Owners' Shares (based on the Original Owners' initial ownership) or their transferees pursuant to this Section and the Syndicate Manager (which vote shall not be unreasonably withheld by the Syndicate Manager), may approve the transfer of the Stallion to a Southern Hemisphere farm for Southern Hemisphere breeding activities pursuant to a lease or other contractual arrangement. Net proceeds from any Southern Hemisphere breeding activity shall be distributed to the Original Owners or their transferees pursuant to this Section on a pro rata basis, based on the initial ownership of the Original Owners as set forth above. An Original Owner may transfer its rights under this Section to the Southern Hemisphere breeding season with or apart from its Share(s); however, such rights shall not automatically pass to a transferee of any Share owned by an Original Owner and shall only pass to any transferee if such transfer expressly provides that it is a transfer of the rights under this Section to the Southern Hemisphere breeding season. It is the intention of this Section that any Southern Hemisphere breeding rights shall be separate from the Shares and shall be for the benefit of the Original Owners and their transferees pursuant to this Section only, based on their original Shares as set forth above, whether or not any of the Original Owners sell or transfer some or all of their Shares (i.e., any Southern Hemisphere breeding activity shall not benefit the transferee of any Shares, except as expressly set forth in this Section). Notwithstanding anything else set forth in this Agreement, this Section may not be amended without a vote of the majority of the Original Owners and the Syndicate Manager. This Section shall survive the sale of the Stallion and/or the termination of this Agreement.

k) Breeders Awards. Any stallion or breeders awards including, without limitation, any Breeders' Crown or state breeding awards, shall be for the benefit of the Shareholders. Proceeds of any such awards shall be shared among the Shareholders on a pro rata basis.

III.

SYNDICATE MANAGER

a) Selection of Syndicate Manager. Diamond Creek Farm, LLC shall act as Syndicate Manager and, subject to the terms and conditions of this Agreement, the Stallion shall stand for breeding purposes and be kept and maintained at Diamond Creek Farm, Wellsville, Pennsylvania.

b) Duties, Rights and Authority of the Syndicate Manager. In addition to any other duties, rights and authority of the Syndicate Manager provided elsewhere in this Agreement, the Syndicate Manager shall have the following duties, rights and authority:

- (1) All reasonable authority and discretion with respect to the keep, maintenance, care, management, breeding and supervision of the Stallion, the disbursement of funds which may be necessary to or in furtherance of the objectives of this Agreement, and all accounting, recordkeeping and legal matters pertaining to the Syndicate and to the subject matters of this Agreement, including without limitation (i) the selection and employment of veterinarians to attend the Stallion; (ii) the maintaining of records for the Syndicate, subject to the requirements of this Agreement respecting the same; (iii) the selection and employment of veterinarians, attorneys, accountants and other professionals for services rendered in furtherance of the objectives of the Syndicate, (iv) the determination of the stud fee for the Stallion, in its sole discretion, which shall initially be \$20,000.00, and (v) the approval of all mares bred to the Stallion.
- (2) The Syndicate Manager and its agents and employees shall employ the degree of care customarily employed by persons who keep and breed stallions in Pennsylvania and shall not be liable for the loss of or injury to the Stallion, unless it is established by clear and convincing evidence that the Syndicate Manager is guilty of gross negligence. The Syndicate Manager shall not be liable for, and is hereby released from, liability with respect to any loss of or injury to the Stallion to the extent that the Syndicate or the Shareholders have obtained insurance which

compensates or indemnifies them from such loss or injury. Provided, however, this release shall not be effective if it materially affects the right of the Shareholders to recover under such Member's insurance policy.

- (3) Except as otherwise set forth herein, the Syndicate Members specifically grant the Syndicate Manager sole and absolute authority in determining, with the advice of a certified veterinarian, to take whatever action the Syndicate Manager, its agents and employees, deem best for the medical care of the Stallion, including, but not limited to, surgical procedures and all other veterinary treatment it elects to authorize. Further, the Syndicate Manager shall have authority to determine, with the advice of a veterinarian, whether the Stallion should be destroyed or otherwise rendered incapable for future breeding on account of injury or illness and for humane reasons, and the Syndicate Manager shall not be liable to any Shareholder for the good faith exercise of such discretion, regardless of whether or not the Shareholder has obtained insurance.
- (4) The Syndicate Manager shall keep and maintain in force, as an expense of the Syndicate, a policy of public liability insurance in a minimum amount of \$2,000,000, providing the same can be obtained, insuring the Shareholders and Syndicate Manager against loss or liability by reason of the acts or omissions of the Syndicate Manager, his agents, servants and employees.
- (5) Except as otherwise set forth herein, the Syndicate Manager shall pay all expenses incurred in the normal daily care of the Stallion, including board, blacksmith and routine veterinary care. Non-routine veterinary care (including, but not limited to, surgeries), advertising, promotion, accounting, attorneys' fees, insurance and all nomination expenses for the Stallion shall be charged to the Shareholders, with each Share to bear one-one hundred twentieth (1/120th) of these expenses.
- (6) The Syndicate Manager shall furnish to each Shareholder, as soon after the end of each calendar quarter as is reasonably practicable, a statement of the income and expenses of the Syndicate during that calendar quarter, and each Shareholder to

whom such statement is furnished shall pay his or her pro rata share of the amount thereof to the Syndicate Manager within thirty (30) calendar days after the date of such statement.

- (7) The Syndicate Manager shall have an agister's lien as provided under Pennsylvania law upon any Share as to which any portion of the Syndicate Expenses have not been paid.
- (8) The Syndicate Manager shall issue Mating Certificates as required by the USTA for registration of foals out of mares bred to the Stallion; provided, no mating certificate shall be delivered to any person who is in default in the payment of a stud fee, if the Stallion Manager has been made aware of such default in writing.
- 9) The Syndicate Manager shall be the corresponding officer with the USTA, state racing commissions and any governmental bodies having jurisdiction over the Stallion.
- 10) The Syndicate Manager shall keep and maintain separate books and records with regard to the Stallion which shall accurately reflect all revenues and expenses for or on behalf of the Shareholders.
- 11) Except as otherwise expressly set forth in this Agreement, the Syndicate Manager shall have no obligation to sell or otherwise dispose of any nomination, whether in a normal, reduced, or excess book, by or on behalf of the Shareholders, the Breeding Rights holders, or any of them. The Syndicate Manager, however, may undertake to make such sales upon request of the Shareholders or the Syndicate Manager according to such arrangements and policies as the Syndicate Manager may establish from time to time to deal with such requests; provided, such request shall have been made in writing to the Syndicate Manager no later than December 15 prior to the applicable breeding season. Any such nominations (the "Pooled Breedings") shall be sold by written agreements in form and terms supplied by the Syndicate Manager and shall be completed within the business judgment of the Syndicate Manager. Notwithstanding the foregoing, to the extent that the

Syndicate Manager is able to sell Pooled Breedings on behalf of and at the request of Shareholders and the Syndicate Manager for the Northern Hemisphere Breeding Season that result in irrevocably collected and contractually earned income in accordance with the applicable terms of sale, the net proceeds from the sale of such Pooled Breedings (after deducting reasonable costs and expenses associated with such sale, including commissions) shall be allocated pro rata among the Pooled Breeding participants in the proportion that the number of Pooled Breedings contributed to the pool by each participant bears to the total number of Pooled Breedings. Notwithstanding the foregoing, the nominations relating to the regular Shares and the nominations relating to the Frozen Semen Shares shall be pooled separately.

c) Compensation of Syndicate Manager. Syndicate Manager shall be entitled to twelve (12) annual nominations to the Stallion for services rendered during each breeding season (the "Syndicate Manager Nominations"). Each Syndicate Manager Nomination shall be the right to breed one (1) Standardbred mare to the Stallion during each breeding season. The Syndicate Manager Nominations shall be non-cumulative from one breeding season to another. The Syndicate Manager Nominations shall be non-transferable and shall not be sold, exchanged, transferred, assigned or otherwise disposed of over the breeding life of the Stallion or for any shorter period of time. Provided, however, that in any one breeding season the Syndicate Manager may use, sell, exchange or otherwise dispose of all or any Syndicate Manager Nominations to which it may become entitled for services rendered during that breeding season.

d) Resignation of Syndicate Manager. The Syndicate Manager may resign at any time by giving written notice to the Syndicate Members at least sixty (60) calendar days prior to the effective date of such resignation, provided the effective date of resignation shall not occur during any breeding season. If the Syndicate Manager resigns, all of its duties and obligations under this Agreement shall terminate as of the effective date of the resignation. Upon such resignation, Shareholders owning one or more Shares shall call a

meeting to choose a successor Syndicate Manager which shall be elected by the affirmative vote of Shareholders owning a majority of the Shares in the Stallion.

IV.

SHAREHOLDERS

a) Shareholder Meetings. The Syndicate Manager or the owners of sixty percent (60%) or more Shares may call a meeting of the Shareholders. There must be at least ten (10) calendar days written notice to all Shareholders and the Syndicate Manager. The notice must state the date, time, place and purpose of the meeting. All such meetings shall be held at or conveniently near Diamond Creek Farm. Each Shareholder shall be entitled to one vote for each Share owned. Votes may be cast either in person or by agent or proxy, duly authorized in writing. The presence in person or by proxy of Shareholders owning a majority of the Shares shall constitute a quorum. Except as otherwise provided herein, the vote of the Shareholders owning a majority of the Shares present and voting at the meeting, in person or by proxy, shall decide all questions properly submitted, provided a quorum is present. Any or all Shareholders may participate in any meeting by means of telephone conference, video conference or similar communications equipment, and such participation shall be deemed presence at the meeting. Any action which Shareholders are authorized to take at a meeting may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by the Shareholders who own the requisite number of Shares. No meeting of the Shareholders shall be called sooner than thirty (30) calendar days after a properly called meeting of the Shareholders has been held without the written consent of, or a call by, the Shareholders owning eighty percent (80%) or more Shares. This provision does not apply to a properly called meeting which has been adjourned to resume at a later specified date within thirty (30) calendar days as determined by Shareholders owning a majority of the Shares represented at that meeting.

b) Rights and Obligations of Shareholders. The specific rights and obligations pertaining to the Shares shall be as specified in this Agreement, and shall include the following:

(1) The Shareholders shall not have any right or authority whatsoever to control or change any action taken or any decision made by the Syndicate Manager on any matter within the scope of its authority, except to the extent that the right and authority to do so is conferred upon them by this Agreement.

(2) Except as otherwise expressly set forth herein, each Shareholder shall be obligated, severally and individually, to pay to the Syndicate Manager, its proportionate share of all reasonable charges, costs, and expenses incurred in connection with the care, maintenance, breeding and handling of the Stallion, as well as all other expenses incident to the operation of the Syndicate, including, but not limited to, Syndicate organizational costs, non-routine veterinarian, advertising, promotion, accounting, attorneys' fees, insurance and all nomination expenses for the Stallion ("Syndicate Expenses"). Each Shareholder's pro rata share of Syndicate Expenses shall be determined by dividing the number of Shares owned by such Shareholder by one hundred twenty (120).

c) Waiver of Partition. The Shareholders hereby waive whatever right they may have to demand the partition, or sale for partition, of the Stallion under the laws of the State of Pennsylvania, or any other jurisdiction, and they do hereby agree that the sole and adequate means by which they may divest themselves of their interests in the Stallion shall be by the transfer of Shares in accordance with the terms and conditions of this Agreement.

d) Inspection of Records. Any Shareholder who is not in default under the terms of this Agreement upon giving three (3) business days' notice to the Syndicate Manager, may inspect the books and breeding records of the Syndicate at the Syndicate Manager's office on any business day Monday through Friday between the hours of 10:00 a.m. and 4:00 p.m., local time.

V.

INSURANCE

a) Insurance. Syndicate Manager has acquired a public liability insurance policy, the cost of which shall be considered a Syndicate Expense and each Shareholder shall bear their pro rata share of the premium in accordance with the usual and customary treatment of Syndicate Expenses. Each Shareholder may purchase such insurance (including mortality insurance) as they deem appropriate as long as such insurance is consistent with the terms and conditions of this Agreement and the acquisition does not adversely impact the ability to acquire the policies obtained by other Shareholder.

VI.

TRANSFERABILITY OF SHARES, BREEDING RIGHTS AND NOMINATIONS

a) Transferability of Shares, Breeding Rights and Nominations. Shares and nominations in the Stallion shall be transferred only in accordance with this Agreement, it being acknowledged that the Frozen Semen Shares and the Breeding Rights are non-transferrable. A transferee of any Shares or nominations shall be bound by this Agreement as though it had been executed by the transferee.

b) Auction Sale. Shares (other than the Frozen Semen Shares) or nominations may be offered for sale or sold at any public auction free from the right of first refusal hereinafter set forth.

c) Right of First Refusal.

(1) The right of first refusal described in Article VI, Section c) 2) shall not apply to the initial sale of any Shares by the Original Owners or to transfers exempted under Article VI, Section c) and d).

(2) Any Shareholder who receives an offer to purchase a Share which he or she is willing to accept shall notify the Syndicate Manager in writing, stating the name of the proposed purchaser and the complete terms of the offer and shall attach to the notice a fully executed copy of a bill of sale, purchase and sale agreement or

other written document evidencing a binding contract with the complete terms of the offer. The Syndicate Manager shall immediately, upon receipt of such notice, notify all Shareholders of the name of the proposed purchaser and the terms of the offer, which notice shall constitute an offer to each Shareholder to exercise the first right of refusal hereby granted to purchase such Share or Breeding Right on the same terms as are contained in the offer. Any Shareholder desiring to accept said offer shall so notify the Syndicate Manager in writing on or before 5:00 p.m. EST on the fifth (5th) business day after the day notice is sent by the Syndicate Manager. If more than one eligible Shareholder desires to accept the offer, the Syndicate Manager shall determine the Shareholder entitled to purchase by lot at a drawing conducted the business day following the day upon which notification is required in which each Shareholder desiring to accept said offer shall be entitled to a number of lots equal to the number of Shares he holds. The Syndicate Manager shall notify the selling Shareholder in writing of the acceptance or rejection of the offer on the business day when the required determination is made. The Shareholder who is entitled to purchase the Share shall pay the full purchase price on or before 5:00 p.m. EST on the first (1st) business day after the determination unless the offer specifies a different time for payment in which case the time specified in the offer shall govern. Upon payment of the purchase price and delivery of a duly executed bill of sale, risk of loss shall pass to the purchaser. In the event the purchaser does not pay in a timely fashion, the Syndicate Manager shall conduct a redraw among those Shareholders who elected to purchase and the selling Shareholder shall be entitled to such remedies against the defaulting Shareholder as may be provided by law. If such offer is not accepted, the Shareholder desiring to sell may then sell the Share to the person making the offer upon the terms stated, subject, however, to all the terms and conditions of this Agreement. However, if the Share is not sold within thirty (30) days after notice of non-acceptance from the Syndicate Manager, the selling Shareholder or

Breeding Right holder must again offer the Share or Breeding Right as set out above.

- d) Other Transfers. Shares may be transferred by will, inheritance, gift or otherwise to any spouse or lineal descendant of a Shareholder, to any trust for the benefit of a Shareholder or spouse or lineal descendant of a Shareholder or from any Shareholder Trust to its beneficiaries or any spouse or lineal descendant of its beneficiaries or any trust for the benefit of any such beneficiary, their spouse or lineal descendant, without the obligation of complying with the right of first refusal contained in Article VI, Section c) 2). Shares may be transferred to a corporation, limited liability company or partnership or other entity in which a majority interest is owned by the Owner without the obligation of complying with the right of first refusal contained in Section Article VI, Section c) 2), provided the transfer is not, in the reasonable opinion of Syndicate Manager, being made for the purpose of avoiding the right of first refusal contained in Article VI, Section c) 2). Provided, however, that any transferee pursuant to this Section shall be bound by the right of first refusal. Prior to transfer of the Share, the transferring Shareholder shall notify the Syndicate Manager in writing stating the name and address of the transferee, the terms of the transfer and attaching a copy of the document or instrument of transfer. Prior to transfer, the Shareholder shall acquire an acknowledgement and agreement from the transferee that the Share is being acquired subject to the terms and conditions of this Agreement.
- e) Transferability of Nominations. Nominations may be sold or otherwise transferred, exchanged or assigned only in compliance with the terms of this Agreement. Any sale, transfer, exchange or assignment shall be subject to the provisions of this Agreement.

VII.

TRANSFER OF OWNERSHIP

- a) Execution of Syndicate Agreement. Each Syndicate Agreement shall be executed and a copy shall remain in the files of the Syndicate Manager. Each Shareholder shall keep the original as long as he or she owns the Share.
- b) Initial Sale. The initial sale by the Original Owners shall be affected by a Bill of Sale between the seller and the purchaser. A copy of this Agreement shall be attached thereto and made a part thereof and given to the purchaser. A copy of the Bill of Sale shall be sent to the Syndicate Manager for the Syndicate records.
- c) Subsequent Transfers of Shares. For any subsequent transfers of Shares, the selling Shareholder and transferee shall execute three (3) assignment of share forms for the Stallion pursuant to such procedures as are established by the Syndicate Manager. The transfer shall not be effective as against the Shareholder and the Syndicate Manager until the Syndicate Manager has executed the Assignment forms. The Syndicate Manager shall be provided with a copy of any document or documents setting forth the price, terms and conditions of sale between the selling Shareholder and his transferee.
- d) Payment of Syndicate Expenses. In the event a Share is transferred at a time when the transferor has incurred obligations for his respective share of Syndicate Expenses which are unpaid, the transferee of such Share shall assume, and shall be required to pay as a condition of assuming ownership of such, any outstanding balance of the Syndicate Expenses attributable to such Share.

VIII.

TAX MATTERS

- a) Non-Partnership Taxation. The Shareholders are co-owners of undivided interests in the Stallion. It is not the purpose, nor intention of this Agreement to create, and this Agreement shall not be considered as creating a joint venture, partnership or other relationship whereby any party shall be held liable for the omissions or commissions of any other party. If for federal tax purposes this Agreement or the relationship established

hereby and the operations hereunder, are regarded as a partnership as that term is defined in the Internal Revenue Code of 1986, as amended, then the Shareholders hereby elect not to be treated as a partnership and to be excluded from the application of all the provisions of Subchapter K, Chapter 1, subtitle A, of the Internal Revenue Code of 1986, as amended. In making this election, all the Shareholders acknowledge that the income derived by each member by reason of his ownership of a Share in the Stallion can be adequately determined without the necessity for any computation of partnership taxable income, and all such Shareholders agree not to give any notices or take any other action inconsistent with the election hereby made.

b) Execution of Documents. The Syndicate Manager is hereby authorized and directed to execute such evidence of the foregoing election, or to make such an election if the election herein contained is insufficient for any reason, as may be required by the Secretary of the Treasury of the United States or the Internal Revenue Service. Each Shareholder constitutes and appoints the Syndicate Manager as attorney-in-fact for such purpose. Syndicate Manager agrees to execute and deliver any documentation necessary or appropriate to further evidence this election.

c) Individual Income Reporting. Notwithstanding the possible requirement by the U.S. Internal Revenue Service that a partnership informational tax return be filed on behalf of the Syndicate, it is expressly agreed, as a condition to becoming and remaining a Shareholder, that depreciation, gain or loss shall be determined as though such undivided interests had been contributed to the Syndicate, pursuant to Section 704(c)(3), and in the event such section be ruled inapplicable, then depreciation, gain or loss shall be allocated in the same manner as if Section 704(c)(3) were applicable. Furthermore, if the Syndicate were to be treated by the Internal Revenue Service as a partnership for federal income tax purposes, it is expressly agreed, as a condition of becoming and remaining a Shareholder, that the partnership will file an election, pursuant to Section 754 of the Internal Revenue Code, to adjust the basis of the partnership property in the case of

a transfer of a partnership interest, in the manner provided by Section 743 of the Internal Revenue Code.

d) Pennsylvania Sales and Use Taxes. Each Shareholder shall pay to the Syndicate Manager the appropriate Pennsylvania sales and use tax as required by Pennsylvania law, with said sum to be paid immediately upon receipt of the stallion service fees. Prior to requesting a Mating Certificate, such Shareholder shall pay to the Syndicate Manager the appropriate Pennsylvania sales and use tax or shall submit to the Syndicate Manager a sworn statement certifying that such Shareholder is entitled to an exemption from said tax, which statement shall set forth the basis for such exemption. The Syndicate Manager shall have a lien on the Mating Certificate for the payment of such tax. No Mating Certificate shall be issued by the Syndicate Manager until it has received the payment for such tax or such sworn statement. In the event the Syndicate Manager is required to remit the applicable sales or use tax on behalf of a particular Shareholder and such sales tax has not been remitted to the Syndicate Manager, such Shareholder shall indemnify the Syndicate Manager for any taxes, penalties or interest which it has paid.

IX.

DEFAULT

a) Events of Default. The occurrence and continuance of any of the following events by a Shareholder shall constitute an "Event of Default" under this Agreement:

- (1) Failure to pay when due the statement for Syndicate Expenses as furnished by the Syndicate Manager and such default shall have continued for a period of ten (10) calendar days or more; or
- (2) Failure to observe or perform any other covenant, term or condition contained in this Agreement, including the obligation to notify the Syndicate Manager as required by Article VI in the event of a sale of a Share, and such default shall have continued for a period of ten (10) calendar days or more after written notice has been sent by the Syndicate Manager directing the person to remedy such default. If the default is one that could not be remedied after corrective action is instituted

within the 10-day period, the Syndicate Manager may agree in writing to an extension of time to cure such default provided such member diligently pursues such action until such default is remedied.

(3) Failure to pay when due any installment of principal or interest on a Note executed in favor of a Shareholder in connection with sale of a Share.

(4) Failure to pay when due any amounts due Syndicate Manager for Syndicate Expenses or any other obligations due Syndicate Manager whether related to the Stallion, any other stallion or other horses located at Diamond Creek Farm or any other obligation to Syndicate Manager.

b) Remedies upon Default. In addition to all remedies afforded the Shareholders and the Syndicate Manager at law, or otherwise contained in this Agreement, upon the happening of one or more Events of Default:

(1) The defaulting Shareholder shall not be permitted to breed a mare or nominate a mare for breeding on any nomination attributable to his Share or sell, exchange or trade any such nomination or otherwise breed, directly or indirectly, a mare to the Stallion until the Event of Default has been fully cured;

(2) No mare shall be bred to the Stallion on a nomination that has been transferred to a third party which is attributable to the defaulting person (if such default has not been cured) and the defaulting person shall indemnify and hold harmless all other Shareholders and the Syndicate Manager from all claims which may be made against them by a party denied the right to breed under this subparagraph;

(3) The defaulting person's right to sell, exchange or trade any nomination shall be suspended until the default is cured;

(4) The Syndicate Manager may withhold any Mating Certificate attributable to any nomination of the defaulting person until the Event of Default is cured;

(5) The defaulting Shareholder's right to vote on any Syndicate matter with respect to his Share shall be suspended until the Event of Default is cured; and

(6) The Syndicate Manager may collect any revenues or funds in the Syndicate account which are allocable to the defaulting Shareholder and shall apply such funds for the following purposes in such order as Syndicate Manager shall in its sole discretion determine: (i) to pay any unpaid Syndicate Expenses, (ii) to reimburse the Syndicate Manager for all expenses in enforcing these default provisions, including attorneys' and other professional fees, and (iii) to partially or totally cure the existing default hereunder.

c) Determination of Default. It shall not be the responsibility of the Syndicate Manager to know of any default in the payment of the purchase price of any Share or nomination, and the person against whom the default is made must notify the Syndicate Manager, in writing, in order for the Syndicate Manager to enforce the provisions of this Section. In the event a dispute arises as to whether a party wishing to breed a mare on a nomination attributable to a person in default, the Syndicate Manager may rely on the instructions given it by the person claiming a default and the Syndicate Manager shall not be liable to any party for its refusal to allow a mare to be bred to the Stallion on any nomination even if such refusal shall ultimately be proven erroneous.

X.

MODIFICATION OR TERMINATION OF AGREEMENT; SALE OF STALLION

a) Amendment of Agreement. Except as otherwise set forth herein, this Agreement may be amended or modified upon the affirmative vote of the Syndicate Manager and Shareholders who own eighty (80) or more of the Shares.

b) Sale of the Stallion. The Stallion in its entirety may be sold upon the affirmative vote of the Syndicate Manager and Shareholders who own seventy percent (70%) or more of the Shares. The Syndicate Manager shall have no obligation to circulate among the Syndicate Members or otherwise to inform the Syndicate Members of any offer made to purchase the Stallion unless such offer shall be in writing. In the event the Stallion is sold in its entirety, the proceeds shall be divided among the Shareholders and the Syndicate Manager on a pro rata basis treating each of the twelve (12) Syndicate

Manager Nominations as the equivalent of one (1) Share. In the event the Stallion is sold in its entirety, the Breeding Rights shall not be entitled to share in the sale proceeds, but shall continue and shall be honored by the purchaser of the Stallion.

XI.

MISCELLANEOUS

- a) Entire Agreement. This Agreement, including the documents and instruments referred to herein, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and/or oral, between such parties. All of the terms of this Agreement shall be binding upon the respective successors, heirs, legal representatives and assigns of the parties hereto and shall inure to the benefit of and be enforceable by the parties and their respective heirs, successors, legal representatives and assigns.
- b) Counterparts and Facsimile Signatures. This Agreement may be executed by facsimile transmittal documents in lieu of original or machine generated or original documents. This Agreement and any and all other documents or instruments referred to herein may be executed with counterpart signatures, all of which taken together shall constitute an original without the necessity of all parties.
- c) USTA Certificate. The USTA Registration Certificate for the Stallion shall be transferred to evidence that the ownership of the Stallion has been syndicated under this Agreement.
- d) Notices. Any notice to be given under this Agreement made in writing and shall be deemed given when delivered by hand, or the facsimile transmission of the notice or on the third business day following the deposit of such notice in the U.S. mail, postage prepaid, first class, registered or certified mail, return receipt requested, to the address set forth in the preamble of this Agreement or designated by written notice sent to the Syndicate Manager for that purpose. No notices may be given by e-mail transmission.
- e) Venue. Jurisdiction and venue for any action brought hereunder shall be in a court of competent jurisdiction in York County, Pennsylvania.

- f) Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of the remainder of this Agreement as a whole or any other provision therein.
- g) Headings. The captions used in this Agreement are inserted only for the convenience of the parties, and do not constitute a part of this Agreement.
- h) Attorneys Fees. In the event of any action or proceeding to declare or enforce the terms of this Agreement, including the documents and instruments referred to herein, the prevailing party or parties shall be entitled to recover his or its reasonable attorney's fees and other costs, in addition to any other relief that may be granted.
- i) Privilege of Syndicate Books and Records. Shareholders and Syndicate Manager acknowledge and agree that no privilege of confidentiality attaches to the books and records of the Syndicate including correspondence and agreements regarding matters relating to the Stallion and the Syndicate.
- j) Syndicate Member Representations. By entering into this Agreement or by acquiring a Share, each of the Syndicate Members represents and warrants the following:
- (1) that he/she/it is aware of the costs and risks associated with the ownership of Standardbred horses and interests in stallions, and
 - (2) that he/she/it understands that the purchase of a Share in the Stallion is speculative and involved a high degree of risk, and the Syndicate Member is able to afford the payment of the purchase price of the Share(s) and is financially able to bear the costs associated with the ownership thereof; that he/she/it has the ability to retain the Share or other breeding right for an indefinite period of time and to sustain a possible loss of the purchase price and any subsequent expense contributions without a significant impact on the Syndicate Member's other assets.

IN WITNESS WHEREOF, this Agreement has been signed by the parties thereof on the date and year first above written.

DIAMOND CREEK FARM, LLC, a
Kentucky limited liability company

BY: _____

ITS: _____

BRITTANY FARMS

BY:

ITS:

CHRISTINA TAKTER

BRIXTON MEDICAL, INC.

BY:

ITS:

JOHN D. FIELDING

MKATZ ALIBFELD SGOLDBAND

("Original Owners")

DIAMOND CREEK FARM, LLC, a
Kentucky limited liability company

By: _____

Its: _____

("Syndicate Manager")

