

TheStable.ca Trainer-Owner Agreement

THIS AGREEMENT IS ENTERED INTO BY AND BETWEEN TheStable.ca AND THE UNDERSIGNED PARTNER OR PARTNERS OR OWNERS.

The term of this agreement shall begin on December 29, 2022.

Purpose of this Agreement: The partners and owners have associated with TheStable.ca as its partners for the purpose of purchasing, racing and selling standardbred racehorses and for any other business related thereto. This agreement shall continue until there is no longer a standardbred horse owned by this stable (or unless otherwise agreed to by all parties to this agreement).

Individual horses shall be raced by TheStable.ca under the name and style of "The Stable" (also containing a brief description of the particular horse's name as it appears in the racetrack program on behalf of that racehorse's group of owners e.g. "TheStable.ca Lawmaker Group").

The specific terms of this agreement are as follows, all as set out in Items #1 to #10 below (and in Items #1 to #12 of the attached TERMS and CONDITIONS) in consideration of the mutual promises set forth herein.

1. TheStable.ca therefore covenants and agrees that it shall:

- (a) Care for, manage and train standardbred horses owned wholly or in part by the partners and Owners cited in this agreement in a professional and safe environment.
- (b) Continually update partners in reasonable detail regarding any progress or pertinent issues regarding health or lameness issues that may arise with horses they currently own wholly or in part.
- (c) Keep an open dialogue throughout each training season and update TheStable.ca websites and social media in a timely manner so as to keep all partners properly informed in reasonable detail.
- (d) Make all reasonable efforts to seek the consent of all partners in any major decision pertaining to a horse, unless the horse is in a life threatening or emergency care situation, which will require an immediate and binding decision to be made by TheStable.ca management.

2. The partner's flat rate monthly training fee covers only the daily expenses (stall rent, feed, bedding, care, liniments, shoeing etc. typically incurred daily by a racing stable in maintaining the training of a racehorse).

3. Any specific veterinarian services beyond basic care (e.g. colic, castration, etc.) will be billed directly to partners and owners.

4. Please note that the flat rate monthly training fee does not cover or include stake payments. All decisions regarding the entering of horses in both stake and overnight races shall be made by

TheStable.ca. However, all nomination, sustaining, entry and starting fees in respect to stake races shall be the sole responsibility of owners and partners.

5. All owners' licenses must be kept current and up to date. Failure to do so will prevent the horse from participating in any form of racing.

6. Forward all questions or concerns to TheStable.ca management, privately.

7. This Agreement contains the sole agreement related to this partnership. Therefore, any prior agreements, or representations not set out in writing and signed by TheStable.ca, shall have no legal force or effect.

I agree and hereby confirm that I am aware that the monthly training fee for all horses to be placed in the Stable.ca's care is \$2,575.00 CDN plus HST (\$25.75 CDN plus HST per share). The monthly training fee for all horses to be placed in the Stable.ca's care in Ohio is \$2,575.00 USD (\$25.75 USD per share). Accordingly, I agree to pay and be responsible for paying monthly training fees based solely upon my percentage ownership interest in each horse that I own in TheStable.ca.

Title to each and every standardbred horse covered by this Agreement shall be divided into one hundred (100) equal non-divisible shares.

Sales and transfers of title of one or more percentage ownership interests in a horse under this Agreement can normally be finalized by the execution and delivery of a separate transfer agreement signed by all of the vendors.

However, in the case where 70 percent or more of the holders of percentage ownership interests in a particular horse wish to sell their interests in that horse, only the signatures of not less than 70 percent of the total percentage ownership interests being sold are required in order to process the sale.

Similarly, if in the professional opinion of Anthony MacDonald of TheStable.ca, a horse in TheStable.ca that he is training lacks sufficient talent to race on an economically effective basis, this agreement specifically entitles and authorizes Mr. MacDonald to sell this horse for the best price and terms then available and to distribute the sale proceeds ratably to the members of that Stable.

Please note that this Agreement does not constitute, and shall not be deemed to constitute, the provision of legal, tax or any security advice or counsel.

TERMS and CONDITIONS

1. *Acquisition of horses:* In the fall of each year, TheStable.ca shall acquire, under the supervision of Anthony MacDonald, by purchase at public auction, by private sale, by trade, or otherwise (or as graduates of TheStable.ca's current breeding program), a selection of yearling standardbred colts and fillies.

These yearlings shall be then made available for cash purchase by the Owners, always in one percent increments, from TheStable.ca's website. These purchases by the Owners will all be made in accordance with the terms governing TheStable.ca's conditions of sale.

2. TheStable.ca shall maintain and monitor this website so as to thereafter provide the Owners with the ability at any time to offer to buy or to sell, in one percent increments, ownership interests in TheStable.ca roster of horses.
3. These standardbred colts and fillies shall first be broken and then entered into training with the training staff of TheStable.ca at a monthly basic training fee of \$2,575 plus taxes.

This monthly fee shall include all normal equipment and supplies but does not include (but not limited to) staking, shipping or major veterinary services such as those for colic or castration. In the event a colt or filly is transferred by TheStable.ca for a period of time to another standardbred trainer in Ontario or another jurisdiction, to train or race, all monthly training fees and disbursements billed by the new trainer shall be for the Owner's account.

4. All racing jurisdictions require that all participants and Owners be licensed and to pay license fees prior to entering a horse to race in any particular jurisdiction. Representatives of TheStable.ca will assist Owners in their endeavour to correct their license deficiencies. (For greater certainty, it is also understood and agreed that all decisions as to the selection of the trainers of the horses, as to the staking of the horses, and as to the jurisdictions and racetracks in which the horses will be raced shall be made by representatives of TheStable.ca).
5. All owners' licenses must be kept current and up to date. If a horse is entered in to race and a client is not licensed for any reason, they will be immediately suspended from the ownership group by TheStable.ca. Additionally, their interest in said horse will be absorbed back by TheStable.ca and the client will have seven (7) days to resolve all issues preventing that client from being licensed. If the client cannot resolve these issues in seven (7) days TheStable.ca reserves the right to sell their share(s) for a fair price determined by TheStable.ca.

The resulting revenue will then be applied to the client's account. This ensures fair resolution to any licensing issues without the interruption of racing for all other clients involved in each ownership group.

In this instance where a client is unable or unwilling to obtain licensing as part of their licensing requirements, Anthony MacDonald will act on behalf of the client to sign a Dissociation Notice with Standardbred Canada declaring the client is no longer a member of TheStable.ca group that owns the horse and the client no longer has any interest in this horse.

6. However, in the event the particular license is in fact issued to the delinquent owner within 7 days of the transfer of the interest in the horse to Anthony MacDonald, the horse in question shall be retransferred to the Owner and the relevant share of the purse earnings and subsequent costs attributed, in the interim, credited and debited to the Owner on the books of TheStable.ca. If the license is not obtained in the appropriate time frame, the shares may be

forfeited at 75% of the lowest value offered on the secondary market.

7. The governing law of this agreement shall be the Province of Ontario.
8. In the past three years, based on the input TheStable.ca has received from almost all of its owners during that period of time, TheStable.ca and Anthony MacDonald have received confirmation that its extensive communication with its Owners has been wholeheartedly appreciated. We covenant to continue keeping all of our Owners extremely well-informed on all aspects of our business in the future.
9. While the principle focus of TheStable.ca has been the selection, training and development of racehorses, certain fillies that we have raced have merited retention as broodmares. Thestable.ca will decide who is retained for breeding and we intend to continue this practice on a limited basis, provided that there is sufficient Owners desire to continue in these broodmare endeavours, also on a 100 share basis. We believe breeding these mares will again provide added entertainment for our clients.

Furthermore, we hereby confirm that all foals produced by these broodmares shall be reflected in our inventory listings in exactly the same ownership as is shown for the broodmare effective as at the date of foaling.

However, please be informed that we will not commit to entering in some state/provincial rewards programs at this time, and will NOT be tracking, or paying out any state/provincial incentives garnered by foals of mares owned by thestable.ca or its clients at this time.

If in the future the thestable.ca broodmare program is deemed a success we will then revisit infrastructure upgrades needed to properly use our system to track and operate an inhouse broodmare incentive program.

10. In 2020, TheStable.ca introduced the concept of organizing 5 to 7 horse special stables with common themes such as the "Ohio Stable" containing, for example, substantial share components only of Ohio-bred yearlings and Ohio-bred racehorses. The underlying cost structure for the Owners in these special stables MAY POSSIBLY BE DIFFERENTLY CONSTITUTED WITH FINANCIAL CHARGES VARIED FROM OUR STANDARD CHARGES. This will also be the case if we decide to introduce additional special stables in the future.
11. It is understood and agreed by all Owners THAT THE STANDARD BRED RACING AND BREEDING BUSINESSES HAVE SUBSTANTIAL INHERENT RISKS of many natures and kinds THAT CANNOT BE CONTROLLED.

Accordingly, all Owners hereby acknowledge THIS SITUATION WITH THESE SUBSTANTIAL INHERENT RISKS AND HEREBY THEREFORE UNCONDITIONALLY WAIVE THEIR RIGHTS TO CLAIM FOR DAMAGES of any nature or kind whatsoever against TheStable.ca, its directors, its officers and its employees including its trainers, drivers, grooms, property owners and other agents. This waiver shall also cover all claims for negligence, including all claims for personal injuries suffered by the Owner and/or family or resulting in the death and/or injury to any horse owned or leased by the Owner. This provision also applies to all racing jurisdictions.

12. THESTABLE.CA FURTHER ACKNOWLEDGES AND CONFIRMS THAT IT DOES NOT CARRY PROPERTY INSURANCE OR OTHER PROTECTION FOR DAMAGES OR LOSSES CAUSED BY OR RELATING TO FIRE, HURRICANE, FLOOD, WATER DAMAGE AND OTHER NATURAL CONDITIONS. IN ADDITION, THESTABLE.CA DOES NOT CARRY PUBLIC

LIABILITY INSURANCE.

In the event that an Owner is interested in insuring his/her equine interests we can confirm the availability of Merit Insurance - Glen Smith (905) 690-6888 and of Park Insurance (705) 725-2229. Other insurance brokers may also be able to provide coverage.

13. Dispute Resolution: In an attempt to streamline any dispute resolutions all Parties will attempt in good faith to resolve through negotiation any dispute, claim or controversy arising out of, or relating to, this Agreement. Either Party may give written notice to the other Party of any dispute not resolved in the normal course of business. Each Party will within seven (7) Days after delivery of the written notice of dispute, designate a representative with authority to make commitments to meet and negotiate, in good faith, to resolve the dispute. The Parties agree that these negotiations be conducted by non-lawyer, business representatives, and the locations, format, frequency, duration, and conclusions of these discussions will be at the discretion of the representatives. By mutual agreement, the representatives may use other procedures to assist in these negotiations. The discussions and correspondence among the representatives for the purposes of these negotiations will be treated as Confidential Information developed for purposes of settlement, and will be exempt from discovery and production, and not be admissible in any subsequent proceedings without the consent of both Parties.

TAKE NOTICE that I hereby appoint Anthony MacDonald to act on my behalf until written revocation of this contract to add and/or remove my name as a part-owner in matters only pertaining to any of The Stable.ca Groups.