



Blue Hen Thoroughbreds, LLC Syndicate Agreement
Series 1 – Peachy Promises

Syndicate Information	
1. Name of Syndicate:	Blue Hen Thoroughbreds, LLC – A series LLC designating each horse as a separate series starting with Series 1 and following numerical order for subsequent series.
2. Syndicator:	The Syndicate will be managed by Justin Miller, who will act as managing director and CEO of Blue Hen Thoroughbreds, LLC and its subsequent series.
3. Horse:	<p>Peachy Promises</p> <ul style="list-style-type: none"> DOB – 2/24/2022 Bay Filly by Promises Fulfilled out of Thunderous Gem Jockey Club Certificate of Foal Registration #: 2207697 Microchip #: 981020041883991
4. Number of Shares in the Syndicate:	<p>The Syndicate is comprised of 100 shares in total. Accordingly, each share represents a 1% ownership interest in the Syndicate and its series.</p> <p>Peachy Promises is owned 50% by the Members of the Syndicate and 50% by Justin Miller.</p>
5. Costs Per Share:	<p>The Costs Per Share for the duration of the Syndicate Period is as follows:</p> <p>Each share costs \$375 per share and is a one-time payment for the year. Shares are in good standing for 1 year from the date of signed contract and received payment. The health and soundness of the aforementioned horse, Peachy Promises, will be determined solely by the managing director, Justin Miller. Each year a shareholder can renew their shareholdings. The managing director reserves the right to increase or decrease the share price from year to year based upon value and costs to train the horse, as well as, determine retirement if it's in the best interest of the horse and its owner(s).</p> <p>Shareholders are rewarded an ownership stake in the purse monies distributed for each race. For example, if a shareholder holds 2 shares at a cost of \$750 at 50% ownership in Blue Hen Thoroughbreds, LLC (Series 1 – Peachy Promises), constitutes an ownership percentage of 1%. If the total purse monies for the year is \$100,000, then the shareholder earns \$1,000 minus required tax and fees that are to be paid by the syndicate manager.</p> <p>In the case where not all shares are sold then remaining shares are rewarded to the managing director, Justin Miller. The Syndicate Agreement is evaluated on yearly basis. A Member that wishes to relinquish their membership can do so at the End Date of their contract. Shares are non-transferrable.</p>
6. Trainer:	Subject to the terms of this Agreement, Peachy Promises will be trained by Tyler Servis at Parx Racing in Bensalem, PA. At the discretion of the managing director, Justin Miller, he reserves the right to change trainers at any time where it's deemed ethical and necessary. The managing director may act as trainer as well if it is deemed necessary for the operation of the syndicate.
7. Duration:	<p>The Syndicate will continue from the date of the signed contract till the same date the following year and is subject to the Terms and Conditions attached. For example, if a signed contract is received and accepted on March 1, 2025 then the shareholders terms of ownership are held till March 1, 2026, after which date the shareholder can renew or decline their ownership to be renewed for another year at a cost re-evaluated by the syndicate manager, Justin Miller.</p> <p>Unless all Members agree to extend the End Date such that the Syndicate shall continue, any monies remaining in the Syndicate Bank Account as at the End Date and after payment by the Syndicator of all amounts due, shall be distributed to the Members in accordance with their pro rata Share.</p>



<p>8. Intention with Horse:</p>	<p>The intention is to run Peachy Promises in flat races in the United States that meet the conditions of her age, sex and aptitude, which will be determined by Justin Miller, Blue Hen Thoroughbreds, LLC and its constituents. In stating this intention, it is understood and agreed that plans may change and no guarantee is given on when, whether, where or how often Peachy Promises may run.</p>
<p>9. Purchase Price of Horse:</p>	<p>Peachy Promises was purchased on 11/12/2022 at the Keeneland Breeding Stock Sale. The purchase price of the Horse, excluding Associated Purchase Costs, was \$12,000 plus tax of \$726 for a total of \$12,726.</p>
<p>10. Associated Purchase Costs:</p>	<p>To date the associated costs to raise, board, train and transport Peachy Promises have been paid by the owner and syndicate manager, Justin Miller. These costs have been paid in full and are up-to-date, which are in excess of ~\$30,000.</p>
<p>11. Training Fees:</p>	<p>The amounts paid to the Trainer under the Training Agreement for the Horse are estimated to be around \$3000-\$3500 per month, based on:</p> <ul style="list-style-type: none"> • A basic training fee of \$97.50 per day; and • An estimated average amount of \$3000-3500 per month for all other costs, fees and expenses, including without limitation in respect of: transport, clipping, blacksmith, veterinary costs and racing expenses per runner
<p>12. Management Fee:</p>	<p>Out of the monies paid by the Members in respect of their Shares, the Syndicator will take an amount of 2 shares out of the overall 100 shares as the Syndicator's Management Fee.</p>
<p>13. Insurance:</p>	<p>Peachy Promises is not insured against All Risks of Mortality (ARM) under Blue Hen Thoroughbreds, LLC. The Members accept this risk, acknowledging that the Costs Per Share would be higher if ARM insurance was procured. Members should obtain their own insurance if desired. Liability insurance will be covered under Blue Hen Thoroughbreds, LLC to absolve shareholders from risk of accidents.</p> <ul style="list-style-type: none"> • The Syndicator has obtained third-party liability insurance for the Syndicate to provide reasonable protection for the Members in respect of any third-party claims that may arise from their ownership of Peachy Promises with a minimum level of coverage of \$1 million. <p>The Syndicator will ensure that the Members will be the beneficiaries of any liability policy instigated by the Syndicator.</p>
<p>14. Funding Target:</p>	<p>If the Syndicator is unable to sell all shares to respective investors, then the managing director, Justin Miller, retains all interest in the shares that are not sold.</p> <ol style="list-style-type: none"> a. the Syndicator shall be entitled to terminate this Agreement by notifying all Members 10 days prior to the contract End Date, in which case the Syndicate shall be wound up and all monies paid to the Members shall be distributed to them in full without interest. Where the Horse has already been acquired, the Members shall have no further rights or liabilities in respect of the Horse it being agreed that all title and risk in the Horse shall vest in the Syndicator; b. Each Member shall be entitled to terminate his/her participation in the Syndicate (by notifying the Syndicator in writing within [10] days of the above End Date of their respective contract) and to require the Syndicator to distribute funds to such Member that is contractually obligated by the contracts listed End Date.
<p>15. Syndicate Bank Account:</p>	<p>The Syndicator will open a separate bank account for the Syndicate in the name of Blue Hen Thoroughbreds, LLC Series 1 – Peachy Promises to be held at PNC Bank.</p> <p>The authorised signatories to the bank account will be the managing director of Blue Hen Thoroughbreds, LLC, Justin Miller.</p>
<p>16. Excluded Income:</p>	<p>The Members shall have no entitlement to the following income:</p>



	<p>a. Sale of the horse or any breeding rewards to subsequently be awarded if Peachy Promises is to procure a foal after her racing career. Unless, a new agreement is reached for the reproductive rights of Peachy Promises and her foals. The terms of the agreement are only for purse money distributed.</p> <p>b. Trophies won and their relevant value</p> <p>c. Any and all merchandising profits obtained</p> <p>All other income generated by or in relation to Peachy Promises during the Syndicate Period shall (after accounting for all expenditure) be distributed to Members proportionally to their shareholdings by the conclusion of the term End Date.</p>
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TERMS AND CONDITIONS

1. Definitions

The following words shall have the meanings set out below:

“Agreement” means this Syndicate Agreement, incorporating (i) the “Syndicate Information” on the previous pages, (ii) these Terms and Conditions, (iii) the Subscription for Share(s) attached, and (iv) the page attached entitled “Agreement To Be Legally Bound”.

“Associated Purchase Costs” means the costs associated with the purchase of the Horse, as identified as such in the Syndicate Information.

“Costs Per Share” means the costs that will be payable by the Member under this Agreement in relation to each Share held by the Member in the Syndicate and its Horse, as identified as such in the Syndicate Information.

“End Date” means the last day of the Syndicate Period, being the date identified as such in the Syndicate Information unless either (i) the Members unanimously agree to extend the End Date in accordance with these Terms and Conditions, or (ii) the last remaining Horse in the Syndicate is sold or dies, in which case that date of sale or death shall be deemed the End Date (without prejudice to clause 25.4 and any other continuing obligations).

“Funding Target” means the funding target for Shares to be sold, as identified as such in the Syndicate Information.

“Horse” means the racehorse acquired by and trained for the Syndicate in each series, as identified as such in the Syndicate Information.

“Insurance Costs” means the costs reasonably and necessarily incurred by the Syndicator obtaining the insurance set forth in the Syndicate Information.

“Management Fee” means the fee charged by the Syndicator(s), as identified as such in the Syndicate Information.

“Member” means an owner of a Share.

“Purchase Price” means the purchase price of the Horse excluding Associated Purchase Costs, as identified as such in the Syndicate Information.

“Season” means a racing season

“Series” means the numerical designation for the Horse in the Syndicate; each Series is separate from another Series

“Share” means a share in the Syndicate, being an equal division in the ownership of the Horse.

“Subscribing Members” means all Members except the Syndicator (i.e. where any Shares are held by the Syndicator, the Syndicator shall not be deemed a Member for the purposes of this definition).

“Subscription For Share(s)” means the Member’s subscription for Share(s) as set forth in this Agreement (see the first page attached to these Terms and Conditions).

“Syndicate” means the racing ‘syndicate’ (as such term is defined in the Rules of Racing) identified as such in the Syndicate Information.

“Syndicate Bank Account” means the bank account of the Syndicate opened in accordance with clause 25.1.

“Syndicate Information” means the basic details of the Syndicate set forth in the table on the previous pages.

“Syndicate Period” means the period commencing as of the date of signing this Agreement and ending on the End Date.

“Syndicator” means the manager(s) of the Syndicate who are identified as such in the Syndicate Information.

“Trainer” means the racehorse trainer identified as such in the Syndicate Information.

“Training Agreement” means the written contract entered into between the Syndicator(s) and the Trainer for the training of the Horse.

“Training Fees” means the fees charged by the Trainer under the Training Agreement, as identified as such in the Syndicate Information.



2. Contract formation and cancellation rights

- 2.1 This Agreement shall come into effect on the date it is signed by the Member and the Syndicator.
- 2.2 Each of the other Members will be required to enter into an agreement substantially similar to this Agreement, including the same Syndicate Information and Terms and Conditions stated in this Agreement. These Terms and Conditions (and the Syndicate Information) shall apply to all Members. Further to the foregoing, the Member entering into this Agreement agrees that this Agreement shall constitute an agreement between the Member and (i) the Syndicator and (ii) all the other Members. The Member agrees that all the other Members shall be deemed named as third-party beneficiaries entitled to enforce the terms of this Agreement as fully as if such other Members were parties and signatories to this Agreement.
- 2.3 This Agreement has been drafted in line with the Rules of Racing, including but not limited to the Syndicate Code. Should any Member believe that these Terms and Conditions (or any other parts of this Agreement) do not meet the Rules of Racing they should contact the Syndicator immediately.
- 2.4 Further to rights provided under consumer legislation, each Member can cancel this Agreement and their new Share purchase by notifying the Syndicator in writing within 14 days of entering into this Agreement. If a Member cancels per the foregoing, (a) the Syndicator will refund the Member their payment in full, (b) this Agreement will automatically terminate, (c) the Member will have no further rights or liabilities in relation to the Horse or the Syndicate, and will not be entitled to any rights attaching to the cancelled Share arising before the cancellation and termination of this Agreement, and (d) the Share of the Member will automatically transfer back to the Syndicator who shall be entitled to sell or keep such Share as the Syndicator may choose.

3. Registration

- 3.1 If not already done, the Syndicator will promptly register the Syndicate in accordance with the Rules of Racing.
- 3.2 The Syndicate will be the registered owner of the Horse and the Horse will run in the name and colors of the Syndicate, Blue Hen Thoroughbreds, LLC.
- 3.3 Where the Syndicate uses the colours of the Syndicator or one of the Members, the relevant Syndicator or Member agrees that the Syndicate may use such colors on the Horse throughout the Syndicate Period without charge.
- 3.4 The Syndicator represents and warrants that as at the date of transferring to the Syndicate and its Members the Horse purchased by the Syndicator:
- a. the Syndicator owns all right, title and interest in and to the Horse;
 - b. the Horse matches the description set forth in the Syndicate Information;
 - c. the Syndicator is the sole legal and beneficial owner of the Horse and has the right and authority to transfer ownership of the Horse to the Syndicate and to enter into this Agreement;
 - d. all written statements made by the Syndicator to the Member in respect of the Horse prior to this Agreement were and are accurate and true;
 - e. to the best of the Syndicator's knowledge the Horse has no unsoundness or health problems that would make the Horse unfit for racing; and
 - f. the Syndicator has disclosed to the Members all material issues relating to the Horse (if any) that the Syndicator is aware of that might impact on the Horse's ability to race during the Syndicate Period.
- 3.5 The Syndicator shall provide the Members with a copy of the Horse's Jockey Club papers on request.
- 3.6 Where the Horse has not already been named, any name shall be chosen by the Syndicator at their sole discretion. Any name chosen shall not seek to associate with any name or brand, and shall not be lewd or improper.

4. Syndicate Period

This Agreement shall commence as of the date of signing and (without prejudice to clause 2.4) shall continue until exactly 1 year from the date of signing known as the End Date.

5. Funding the Syndicate

- 5.1 The Syndicator will purchase the Horse and will be responsible to the Trainer for the payment of all Training Fees.
- 5.2 The Syndicator will seek to sell Shares in the Syndicate to help fund the costs relating to the purchase and training of the Horse, as well as to pay the Syndicator the Management Fee.
- 5.3 The Syndicator will set out clearly in the Syndicate Information all Costs Per Share that are (or may become) payable by each Member. Unless otherwise expressly stated in the Syndicate Information (for example, if an exception is specified in relation to Unforeseen Costs or non-routine veterinary operation costs), the Costs Per Share are all-inclusive and the Members will not be obliged to pay anything further.



- 5.4 It will be the responsibility of the Syndicator to ensure that the Costs Per Share (when multiplied by the total number of Shares) cover the Purchase Price, the Associated Purchase Costs, the Training Fees, the Insurance Costs, the Management Fee and the Allowable General Expenditure for the duration of the Syndicate Period. The Syndicator will be responsible for any shortfall. Further to the foregoing, where the Syndicator incurs any Unforeseen Costs without getting unanimous approval under clause 23, the Syndicator shall be solely liable for such Unforeseen Costs and shall not charge Members any additional amount in respect thereof.
- 5.5 Without prejudice to row 14 of the Syndicate Information (i.e. if the Funding Target is not met by an agreed date), any Shares that are not sold will be retained/taken up by the Syndicator, who will be responsible for paying all Costs Per Share associated with each such Share for the duration of the Syndicate Period or (if earlier) until any such Shares are sold.
- 5.6 The Syndicator may sell at any time any unsold Shares held by the Syndicator. In most cases, it is expected that the Syndicator will sell all Shares for the same price basis (i.e. based on the Purchase Price and the Associated Purchase Costs). If however the Syndicator wishes to sell a Share on a different price basis to the original subscribers for Shares, the Syndicator may do so provided that (a) if the price basis is lower, the Syndicator shall pay the shortfall such that there is no net reduction to the amounts paid into the Syndicate Bank Account; and (b) if the price basis is higher, the excess shall be paid into the Syndicate Bank Account and shall be available for distribution amongst all the Members (subject to the terms hereof) as and when the Syndicate is wound up.
- 6. Syndicate**
- 6.1 Any continuation of the Syndicate beyond the End Date will only occur in accordance with this Agreement.
- 6.2 Each Member's Share relates to the Horse in the Syndicate and its designated Series.
- 6.3 Where there is more than one Syndicator, each of them shall together and individually be deemed the "Syndicator" for purposes of this Agreement and each of them shall be jointly and severally responsible and liable for the obligations and liabilities of the Syndicator under or in connection with this Agreement.
- 7. Shares**
- 7.1 The Horse is owned by the Members rateably according to the number of Shares held by them.
- 7.2 The cost of a Share is set out in the Syndicate Information.
- 7.3 The interest of each Member in the Syndicate shall be that of an ownership stake in purse earnings in respect of the Horse according to the proportionate stake of that Member in the Syndicate.
- 8. Management of the Syndicate**
- 8.1 The Syndicate shall be managed by the Syndicator, whose details are set out in the Syndicate Information above.
- 8.2 The Rules of Racing currently require that all racing syndicates have at least one person to manage, administer and promote a syndicate (a "Syndicator").
- 8.3 If for any reason the Syndicator is unable or unavailable to perform all the Syndicator's obligations (whether because of illness, injury, death, incapacity, imprisonment, retirement or resignation, or by virtue of being banned or other regulatory body, or otherwise) the Subscribing Members may nominate a replacement for approval. Any such nomination shall require approval by a majority of the Subscribing Members.
- 8.4 As consideration for the Syndicator performing the Syndicator's obligations under this Agreement, the Syndicator may charge the Members the Management Fee. The Management Fee shall be deemed inclusive of: (i) all out of pocket expenses incurred by the Syndicator in establishing, administering, promoting and winding up the Syndicate including professional fees; and (ii) the Syndicator's fees for establishing, administering, promoting and winding up the Syndicate.
- 8.5 The Syndicator will not seek to profit from the Syndicate in any way other than through receipt of the Management Fee. Further to which, the Syndicator shall not charge any fee or other amount (and shall not accept any payment in relation to the Syndicate or the Horse) other than the Management Fee. For clarity, nothing in this clause (or clause 8.4) shall limit the right of the Syndicator to charge the Costs Per Share and, through monies received from the Costs Per Share, to reimburse the Syndicator at cost for monies reasonably and necessarily spent by the Syndicator in relation to (i) the Purchase Price, (ii) Associated Purchase Costs, (iii) Training Fees, (iv) Insurance Costs, and (v) Allowable General Expenditure; provided that, where the Syndicator holds one or more Share, the Syndicator must pay into the Syndicate Bank Account the due Costs Per Share for each such Share prior to claiming reimbursement for any of the foregoing monies spent.
- 8.6 Where any matter under this Agreement requiring approval by a majority of Members (or Subscribing Members) receives an equal number of votes for and against, the Syndicator shall have the casting vote.
- 8.7 If a Member has any dispute or grievance in relation to the Syndicate, without prejudice to their other rights, they may refer it in the first instance to the Syndicator.



9. Training of the Horse

- 9.1 The Horse belonging to the Syndicate will be trained by the Trainer during the Syndicate Period.
- 9.2 If the Trainer is banned from training or otherwise ceases to train during the Syndicate Period, the Syndicator will (at the Syndicator's discretion) send the Horse to a replacement trainer, who shall thereafter be deemed the "Trainer" for purposes of this Agreement.
- 9.3 The Syndicator will enter into a written training agreement with the Trainer (the "Training Agreement") prior to, or as soon as reasonably possible after, the Horse is sent to the Trainer. The Syndicator will ensure that the Training Agreement does not conflict with (and is not prejudicial to) any of the provisions of this Agreement.
- 9.4 The Syndicator will ensure, amongst other things, that it is clearly agreed in the Training Agreement that (i) the Syndicator has responsibility (as between the Trainer and the Syndicator) for the payment of all Training Fees and (ii) that the Trainer will not have any lien, title, authority, or power of sale over the Horse.
- 9.5 The Trainer shall be responsible for making day to day decisions relating to the welfare, training, riding, stabling and transport of the Horse, in accordance with and subject to the terms of the Training Agreement. Subject to clause 14.5, running arrangements shall be made by the Trainer in conjunction with the Syndicator.
- 9.6 The Syndicator shall provide a copy of the Training Agreement to the Members upon request.
- 9.7 Where the Horse is a colt and the Trainer advises that it be gelded, the Syndicator will make the final decision following such advice without calling for a vote from the Members.

10. Payment for Share(s)

- 10.1 Each Member shall comply with the terms of this Agreement and, in particular, shall pay on time the Costs Per Share set out in this Agreement for the duration of the Syndicate Period, as well as (if and as applicable) any Approved Unforeseen Costs.
- 10.2 If the prospective Member fails to pay the Initial Payment Per Share (as set forth in the Subscription For Share(s)) into the Syndicate Bank Account in full and cleared funds within fifteen days of signing this Agreement, the Syndicator may give such prospective Member a final written warning to pay and if the prospective Member still does not pay in full within a further ten days, this Agreement shall automatically terminate and (a) the prospective Member shall not become a Member of the Syndicate, (b) the Syndicator shall repay to the prospective Member any monies that the prospective Member did pay into the Syndicate Bank Account; and (c) the Syndicator may sell such Share to someone else.
- 10.2.1 A Member may not transfer ownership to another individual through sale of the Share.
- 10.2.2 A deceased Member may add a benefactor of their Share if it's deemed necessary by the Syndicator.
- 10.3 If a Member fails to pay any other Costs Per Share on time, without prejudice to any rights and remedies available to the Syndicator or any of the other Members under this Agreement or at law, the defaulting Member acknowledges and agrees that:
- the Member shall not (if the payment has still not been made within thirty days of the Syndicator's subsequent reminder to pay) be able to exercise any voting rights under this Agreement for as long as the Member remains in default;
 - the Member may (if the payment has not been made within thirty days of the Syndicator's subsequent reminder to pay), at the Syndicator's discretion, cease to be entitled to any benefits (excluding those covered under 11.3(c) below) which would otherwise accrue to them under this Agreement until the payment of the outstanding sum has been made;
 - the Member shall not (if the payment has not been made within thirty days of the Syndicator's subsequent reminder to pay and still not within a further five days of the Syndicator's final reminder/warning) be entitled to any share in any proceeds
 - the Member may risk forfeiting their Share in the Horse in accordance with clause 21; and
 - the Member may risk being added to the Forfeit List in line with the Rules of Racing, which (amongst other things) may prevent them from being involved in any other racing syndicate.

11. Syndicator's obligations

- 11.1 The Syndicator shall:
- manage the Syndicate in the best interests of the Members as a whole;
 - make plans and decisions for the Horse (excluding matters stated herein as requiring approval by the Members and excluding matters for which the Trainer is responsible under clause 9.5) in conjunction with the Trainer;
 - communicate with the Members and keep them informed as to the purchase of the Horse, any plans or decisions or other important information about the Horse, its progress in training and the races for which it will be entered, how it has come out of any races it has run in, and any feedback or comments from the Trainer or the rider(s) of the Horse;
 - (further to the above), provide regular updates to the Members. The regularity of updates may depend on what has happened but shall be frequent (usually every week or two) and never than less once a month;



- e. from time to time (and subject to agreement with the Trainer on dates, times and numbers) arrange for Members to view the Horse in training;
- f. arrange badges for the Members at race meetings where the Horse is running, subject to availability. The Members acknowledge that the number of available badges may differ by racecourse and by raceday, and that there may be times where the Syndicator is not able to get badges for all the Members, or that there may be times where the Syndicator is required to apply other restrictions in force at the racecourse on that day (for example, a limit on the numbers allowed into the parade ring), and the Members accept and agree to abide by any such restrictions;
- g. perform the Syndicator's obligations under this Agreement in a timely and professional manner;
- h. exercise all reasonable skill, care and diligence in carrying out the Syndicator's role;
- i. comply with the provisions of the Training Agreement and pay on time the Training Fees due pursuant to such Training Agreement;
- j. act as a treasurer on behalf of the Syndicate, check invoices received from the Trainer and, where agreed, to approve the release of monies from the Syndicate Bank Account to pay such invoices; and
- k. nominate accountants to deal with the review of the Syndicate Bank Accounts.

12. Death, retirement or sale of Horse before the End Date of the Syndicate Period

- 12.1 If the Horse is retired from racing before the end of the Syndicate Period the Series will be terminated in totality and no further compensation deemed necessary.
 - 12.1.1 A new series can be formed for the reproductive career of the retired Horse
- 12.2 A sale may be done privately or by public auction, as the Syndicator sees fit and any proceeds from sale of the Horse are not entitled to its Members.
- 12.3 The Horse shall only be retired from racing if it suffers an illness or injury and the Trainer and the Syndicator both agree, acting reasonably and in good faith, that continuing to race would materially threaten the welfare of the Horse or would otherwise not be in the interests of the Horse or the Syndicate, such conclusion to be supported by written advice from a qualified veterinarian. Any such decision (including the Trainer's opinion and the veterinary opinion and the Syndicator's opinion) shall be clearly relayed to the Members before the Horse is retired and sold.
- 12.4 If the Horse is sold or otherwise transferred (or dies) before the originally-stated End Date of the Syndicate Period, the Syndicate Period shall be automatically deemed to end, and final accounts shall be prepared (and a final distribution of funds made) pursuant to clause 25. A Member will be rewarded a pro-rata amount for the Syndicate Period.
- 12.5 No Horse will be disposed of by way of gift (even where the Syndicator otherwise has authority to sell under this Agreement) unless 75% or more of the Members agree.

13. Sale of Horse

- 13.1 The Syndicator reserves the right to sell the horse at any time at which a Member does not hold stake in the profits from the sale whether privately or at public auction.
 - 13.1.1 The contract becomes null and void if the Horse is sold and Members will be reimbursed a pro-rata amount based on the amount of duration left on the contract
- 13.2 The Syndicator will ensure that the Horse will not be entered in a selling or claiming race unless the Members are notified in advance of the proposal and 75% or more of the Subscribing Members to it, including agreement as to any reserve price.
 - 13.2.1 If the Horse in question is entered into a claiming race, Members hold claim to any purse monies won but not the claiming tag which transpires the sale of the horse
- 13.3 Each Member hereby irrevocably appoints the Syndicator as their agent to transfer the legal and beneficial ownership in the Horse where it is sold or otherwise transferred in accordance with the terms of this Agreement.

14. Rights of Members to sell or transfer Shares early

- 14.1 The commitment of each Member in respect of the Syndicate is for the Syndicate Period's full duration and, except as expressly provided in this Agreement, no Member shall sell, transfer, assign, pledge, charge, encumber or dispose of any Share owned by that Member before the Syndicate's dissolution or otherwise discontinue their membership in the Syndicate.
- 14.2 No Member may sell their Share in the Horse before the end of the Syndicate Period to any person other than the Syndicator, except as expressly stated in this Agreement.
- 14.3 No Member may sell part only of their Share in the Horse.

15. Agreement required to renew current Syndicate



- 15.1 Prior to selling the Horse pursuant to clauses 6.1 (i.e. in anticipation of the dissolution of the Syndicate) and allowing sufficient time in advance of the Buyer Deadline Date (as defined in clause 18.9), the Syndicator shall email the Members to:
- 15.1.1 ask whether any of them wish to continue as owners of the Horse after the end of the Syndicate Period and, if so, to notify the Syndicator by email within 14 days. The Syndicator shall make clear: (a) that no Member has any obligation to continue and that, if they don't notify the Syndicator otherwise, they shall be deemed not to want to continue, (b) that the current Syndicate will only continue (i.e. under its registered name and with the existing Members) beyond the Syndicate Period if all Members (subject to clause 17.2) agree to continue and to retain the Horse beyond the End Date; (c) that at least 30% of Members would need to notify the Syndicator of their wish to continue in order for any potential rights to apply (under clause 18) for individual Members to continue; and (d) that any continuation by individual Members pursuant to clause 18 in respect of the Horse would need to be done under a separate newly registered syndicate and would not affect the end of the current Syndicate; and
- 15.1.2 outline the costs per Share that would be involved (including without limitation the Management Fee and estimated Training Fees) if anyone did want to continue for a further Season or other defined period (a "**Renewal Cost Proposal**").
- 15.2 In the event that the Members (save for any Members excluded from voting pursuant to clause 11.3a) unanimously decide that they would like the Horse to be retained beyond the End Date and for the Syndicate to continue in respect of the Horse in accordance with the Renewal Cost Proposal, then the following provisions shall apply:
- the End Date of this Agreement shall be deemed amended to become the new end date agreed by the Members as part of the approval of the Renewal Cost Proposal;
 - the costs per Share payable by each Member for the renewed period shall be as per the approved Renewal Cost Proposal; and
 - this Agreement shall otherwise continue to apply to the renewed period on the same basis and principles set forth herein.
- 16. Fair Value**
- 16.1 The "**Fair Value**" for any Share shall be the price determined in writing by the Valuer on the following bases and assumptions:
- valuing each Share as a proportion of the total value of the Horse without any premium or discount being attributable to the percentage of the Horse which the Share represents;
 - valuing each Share on a fair market basis without any leaning or bias towards a seller or a buyer;
 - the sale is to be on arms' length terms between a willing seller and a willing buyer;
 - the shares are sold free of all restrictions, liens, charges and other encumbrances; and
 - the sale is taking place on the date the Valuer was requested to determine the Fair Value.
- 16.2 If, following receipt of the Fair Value assessment under clause 19.1, any Discontinuing Member does not agree with the Valuer's assessment of the Fair Value of their Share, they may notify the Syndicator in writing within 5 days that they wish to change to be a Continuing Member. If the Discontinuing Member does not do this, they shall be deemed willing to sell at Fair Value and the Continuing Members may buy their Share at Fair Value in accordance with and subject to the provisions of clause 18. Or, if the Discontinuing Member notifies the Syndicator in writing within 5 days that they wish to change to be a Continuing Member: (a) they may not revoke this decision and shall be bound to continue as a Member (and to pay all costs attaching to their CM Sale Share(s) for the continuing period) should the Horse be retained under a New Syndicate pursuant to the operation of clause 18; and (b) the Syndicator shall immediately notify the other Continuing Members of this change.
- 17. Events of default**
- 17.1 A "Transfer Notice" means an offer by the Member to the Syndicator to sell their Share(s) for no charge in consideration for the Syndicator agreeing to take on all future costs and liabilities attaching to such Share.
- 17.2 A Member is deemed to have served a Transfer Notice to the Syndicator immediately before any of the following events of default:
- a bankruptcy order being made against the Member, or an arrangement or composition being made with their creditors, or where the Member otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors.
- 17.3 The Syndicator is deemed to automatically accept the offer under the Transfer Notice, further to which the Member shall cease to be a Member of the Syndicate and all the Member's rights and obligations with respect to the Member's Share shall transfer to the Syndicator as from the transfer date. The Syndicator shall remain the owner of (and responsible for payments and other obligations attaching to) such Share until such time as the Syndicator sells such Share to a new subscriber.
- 17.4 Without prejudice to the provisions of clauses 11.2 and 11.3, where a Member fails to pay on time any Costs Per Share or other amount due under this Agreement and still fails to pay within three months of being requested to do so by the Syndicator:



- a. the Member is deemed to have served a Transfer Notice to the Syndicator. The Syndicator hereby agrees to accept such Transfer Notice offer and shall notify the defaulting Member of the Syndicator's acceptance as soon as reasonably practicable, further to which the Member shall cease to be a Member of the Syndicate and all the Member's rights and obligations with respect to the Member's Share shall transfer to the Syndicator as from the transfer date. The Syndicator shall remain the owner of (and responsible for payments and other obligations attaching to) such Share until such time as the Syndicator sells such Share to a new subscriber; and

18. Members' meetings and voting generally

- 18.1 This Agreement makes no provision for a scheduled meeting of Members. However, a majority of Subscribing Members shall be entitled to require that a Members' meeting is held by phone or other media (including by Zoom or Teams or other manner) to discuss and vote on a specific matter, by sending to the Syndicator a written request for such a meeting to be held.
- 18.2 Within three (3) days of receiving any such request, the Syndicator shall call a Members' meeting by giving not less than thirty (30) days' written notice thereof to all Members particularising in the notice the time, manner and date of the meeting to be held and any matters which those who have requested the meeting have stated that they would like the meeting to address.
- 18.3 At any such meeting, any motion approved by 75% or more of all Members shall be sufficient to pass any binding decision relating to the Syndicate, save that no decision of any matter under clause 23 may be made other than in accordance with clause 23.
- 18.4 In respect of any matters in this Agreement where approval is required of a certain number of Members, if approval is given by the minimum required number of Members (or more), any Members who did not give their approval hereby agree to nonetheless abide by the decision. If approval is given by less than the minimum required number of Members, the status quo shall continue.
- 18.5 For clarity, no Member shall have more than one vote (even where they hold more than one Share).

19. Matters requiring unanimous consent of Members

- 19.1 The Syndicator shall not and, for as long as a Member remains an owner of the Horse in the Syndicate, such Member shall not (and each shall use their reasonable endeavours to procure that the Syndicate shall not) do or permit to be done or agree to do any of the matters listed below, without the prior written consent of all Members (save for any Members excluded from voting pursuant to clause 11.3a):
 - a. incur or permit to be incurred any Unforeseen Costs;
 - b. continue this Agreement beyond its proposed End Date;
 - c. sell, transfer, assign, pledge, charge, encumber or otherwise dispose of any Share or any interest in any Share in the Horse (except as specified in clauses 13.1, 14, 15 and 18 in relation to the sale of the Horse); or
 - d. increase, reduce or sub-divide the Share in the Horse.

20. Termination

- 20.1 This Agreement will terminate at the end of the Syndicate Period.
- 20.2 Termination of this Agreement shall be without prejudice to the rights and obligations of the Syndicator and each Member accrued prior to such termination, or under any provision which is expressly stated not to be affected by such termination including in respect of any prior breach of this Agreement.
- 20.3 The provisions of clauses 1, 7.3, 10.2, 11, 12.1(g)-(k), 21, 24, 25, 27 and 28 shall survive the termination of this Agreement and continue in full force and effect.

21. Accounts and distribution of Syndicate funds

- 21.1 The Syndicator shall open and maintain a bank account in the name of the Syndicate to which shall be credited all sums paid by Members in respect of the Syndicate and all other sums received by the Syndicate and to which shall be debited all amounts charged to the Syndicate. The bank account (the "Syndicate Bank Account") shall be used solely and exclusively for the purposes of the Syndicate. Upon request by a Member, the Syndicator shall promptly provide the Member with a bank statement in respect of the Syndicate Bank Account showing all transactions.
- 21.2 Where the Syndicate Period is for more than one Season:
 - 21.2.1 the Syndicator shall prepare a set of accounts (on the same basis as set forth in clause 25.4) at the end of each Season as well as when the Syndicate is wound up;
 - 21.2.2 the Syndicator shall send such accounts to each Member by email (and/or by post if so requested by any Member) as soon as reasonably practicable after the end of the Season; and



- 21.2.3 any prize money won by the Horse during the prior Season (together with any other amounts remaining in the Syndicate Bank Account after payment of all relevant fees) shall be retained in the account and (unless the amount is insufficient to merit a change) used to reduce the Costs Per Share payable for the next Season. Once the reduced Costs Per Share for the next Season have been calculated, the amount due from each Member for the coming Season shall be notified to the Members by the Syndicator who shall invoice the Members accordingly. Each such invoice shall be payable by the same due dates set forth in the Syndicate Information.
- 21.3 Only following the end of the Syndicate Period once the Horse is sold or otherwise transferred (or dies) will final accounts be prepared and any amounts remaining in the Syndicate Bank Account (after payment of all relevant amounts due) be distributed to Members rateably according to the number of Shares held by them.
- 21.4 As soon as reasonably practicable after the Horse has died or been sold or otherwise had its ownership transferred, the Syndicator shall pay all outstanding fees and expenses due:

Income

- the monies paid by the Members in respect of their Shares;
- the prize money won by the Horse (but excluding any trophies of their value);
- any other income (such as appearance money) received in relation to the Horse, except for Excluded Income identified as such in the Syndicate Information;

Expenditure

- the Purchase Price;
 - the Associated Purchase Costs;
 - the Training Fees;
 - the Insurance Costs;
 - the Management Fee;
 - the Allowable General Expenditure; and
 - any Approved Unforeseen Costs.
- 21.5 The resulting balance (together with a pro rata refund of the Management Fee if the Syndicate has ended early before the end of the Season and if the full Management Fee has previously been paid) shall be distributed to Members rateably according to the number of Shares held by them, within 10 days of the accounts being distributed.
- 21.6 Each set of accounts shall clearly identify, on an itemised basis, all income and expenditure. Without limitation, all itemised expenditure shall clearly identify all third-party charges, including any that might not otherwise be that apparent to the Members such as any sales commission chargeable by a Trainer pursuant to the Training Agreement or by a specialist consignor whose services are used for the purposes of selling the Horse.
- 21.7 The Syndicator shall keep copies of all receipts, third-party invoices and other supporting documentation to evidence expenditure charged to the Syndicate, and shall promptly provide Members with copies of the same upon request.

22. Acknowledgement

- 22.1 The Syndicator and each Member acknowledges that:
- a) by participating in the Syndicate, they shall be subject to, and regulated by, certain provisions of the Rules of Racing for the duration of the Syndicate Period, and agrees that they shall comply with them; and
 - b) (without prejudice to the generality of the foregoing) they are aware of the rules that prohibit the sharing of inside information and prohibiting the lay betting of owned horses and are aware, in particular, of the following Chapters of the Rules of Racing
- 22.2 Each Member acknowledges that participation in the Syndicate is for the purpose of sharing in the enjoyment of the Horse and may not necessarily provide any financial return.

23. Compliance with laws

- 23.1 Each Member shall, and the Syndicator shall, at all times comply with all applicable laws and regulations relating to this Agreement and/or the Syndicate and/or the performance of their respective rights and obligations under or in connection with this Agreement.

24. General

- 24.1 Any notice given under this Agreement shall be in writing and shall be delivered by hand, by email, or sent by pre-paid first class post or recorded delivery post to the address of the party (as most recently specified), or to such other address notified to the other party. A notice delivered by hand is deemed to have been received when delivered. A correctly addressed notice sent by pre-paid first-class post or recorded delivery post shall be deemed to have been received at the time at which it would



- have been delivered in the normal course of post. A notice sent by email to the correct email address last notified by the intended recipient shall be deemed received at the time of sending.
- 24.2 Each Member undertakes that they shall not use, divulge or communicate to any person (except to their professional advisers or as may be required by law or any legal or regulatory authority) the terms of this Agreement or any confidential information concerning the affairs of the Syndicate.
- 24.3 If any provision (or part of a provision) of this Agreement is found by any court or administrative body of competent jurisdiction to be invalid, unenforceable or illegal, the other provisions shall remain in force. If any invalid, unenforceable or illegal provision would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with whatever modification is necessary to give effect to the commercial intention of the parties.
- 24.4 Any variation of this Agreement shall be in writing and signed by or on behalf of all the parties for the time being.
- 24.5 No failure or delay by a party to exercise any right or remedy provided under this Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy.
- 24.6 Rights and remedies arising hereunder are cumulative and do not exclude rights and remedies provided by law.
- 24.7 This Agreement constitutes the whole agreement between the parties and supersedes any previous arrangement, understanding or agreement between them relating to the subject matter they cover.
- 24.8 Except as stated in clause 2.2, this Agreement is personal to the parties hereto (and their successors and heirs) and no third party has any rights to enforce any of its terms.
- 24.9 The Syndicator shall not assign, transfer or delegate any of their rights or obligations under this Agreement.
- 24.10 This Agreement may be executed in two or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 24.11 This Agreement shall be governed by United States law and the Syndicator and each Member irrevocably agrees that the courts of United States shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement or its subject matter.
- 24.12 This Agreement has been entered into on the last page of this Agreement (“Agreement To Be Legally Bound”).



SUBSCRIPTION FOR SHARE(S)

I hereby subscribe for ____ Share(s) in the Syndicate.

I hereby agree to pay all costs per Share set out in this Agreement, by no later than the times specified for payment.

I acknowledge and agree that the payment per Share is \$ 375.

I have transferred payment for \$_____ by check made payable to Blue Hen Thoroughbreds, LLC.

- List the series number and name of horse in the Memo line.

Signed: _____

Name: _____

Address: _____

Telephone No: _____ Email: _____



AGREEMENT TO BE LEGALLY BOUND

By signing below, I (the subscriber set forth on the previous page) confirm and agree as follows:

1. I am aged 18 or over.
2. I have full right, title and authority to enter into this Agreement.
3. I am not (and have never been) banned from entering any racecourse or racing stable, or 'warned off' or convicted of any felonies.
4. I have read and understood the terms of this Agreement and agree to abide by (and be legally bound by) its terms.
5. I understand this Agreement comprises (i) the Syndicate Information, (ii) the Terms and Conditions, (iii) the Subscription For Share(s), and (iv) this page entitled "Agreement To Be Legally Bound".
6. I agree that this Agreement constitutes a binding contract between me and (i) the Syndicator and (ii) the other Members.
7. I am entering into this Agreement for my own benefit and not for or on behalf of anyone else.
8. I have sufficient disposable monies to pay the Costs Per Share for the duration of the Syndicate Period, and accept that I may receive no monies back.
9. I acknowledge and agree that I will not become a Member unless and until the Initial Payment Per Share has been paid and received into the Syndicate Bank Account in full and cleared funds.
10. I understand that if such payment has not been received into the Syndicate Bank Account in full and cleared funds within fifteen days of my signing this Agreement, the Syndicator may give me a final written warning to pay and if I still do not do so in full within a further ten days, this Agreement shall automatically terminate and (a) I shall not become a Member of the Syndicate, and (b) the Syndicator shall repay to me any monies that I did pay into the Syndicate Bank Account.

Signed: _____ Dated: ___/___/___

ACCEPTED AND AGREED by the Syndicator(s) who, by signing below, likewise confirm and agree that they have read and understood the terms of this Agreement and agree to abide by (and be legally bound by) its terms:

Signed: _____ Dated: ___/___/___

Name: _____

Signed: _____ Dated: ___/___/___

Name: _____