TERMS FOR
2025 Filly by Vekoma X Classical Romance

Each membership is non-refundable and non-transferable. Each membership interest equals 0.05% (1/2000) ownership in the 2025 Thoroughbred filly Caligo by Vekoma out of Classical Romance. This horse's planned racing campaign will be from January 1, 2027, through December 25, 2028 (end of three-year-old season). All expenses through December 25, 2028 are included in the price paid per membership interest except as listed below. Members will not receive a monthly training, veterinary, or farrier bill.

Each membership interest is entitled to 0.05% of Net Purse Earnings. Deductions from gross purse earnings include but are not limited to standard fees from the California Horse Racing Board and racing associations (e.g., Santa Anita or Delmar) such as jockeys' 10% fee; trainer's 10% fee; Lasix administration; fines; stakes race nomination, entry and starting fees; groom, stable help, and exercise rider win bonuses; veterinary expense fund and P3 campaign (see below) fund maintenance.

Veterinary expenses:

Veterinary expenses have soared in the last few years due to the availability of new and expensive diagnostic procedures, new therapies and new drugs. Injury and illness is, of course, completely unpredictable and veterinary expenses can occur at any time. Also, the CHRB (California Horse Racing Board), HISA (Horse Racing Integrity and Safety Agency) and the racing associations can demand expensive diagnostics such as PET scan or Nuclear Scintigraphy (about $1,200.00 each) at their discretion and this must be complied with before a horse is permitted to race.

Therefore a veterinary expense account of $20,000.00 will be established from funds included in the price of individual racing club memberships and then maintained at $20,000.00 from purse earnings.

Post-three-year-old racing

2025 Filly by Vekoma out of Classical Romance racing campaign will be from January 1, 2027, through December 25, 2028.

If, by the horse's continued good racing performance, it is determined to be in the best interest of the partnership to continue racing beyond December 25, 2027, the cost of further racing will be drawn from the horse's gross purse earnings. The period after December 25, 2028 shall be referred to as the **P3 campaign (post-three-year-old campaign)**. The first $50,000.00 of purse money earned from the start of the horse's racing career (2025) shall be held in reserve by the California Thoroughbred Racing Club's manager, Charles Constantine at First Northern Bank of Wyoming, for a possible P3 campaign. The $50,000.00 account balance will be maintained throughout the horse's P3 campaign by deposits taken from purse earnings as they accrue. Payment to the veterinary expense account as well as the same deductions from gross purse earnings cited above will continue through the P3 campaign.

All racing expenses for the **P3** campaign will be deducted from the **P3** account.

Fixed expense:

The training fee for the **P3** campaign, $140.00 per day, is based on current costs. This fee will be adjusted to account for increases in items such as feed prices and wage increases at the start of each year of racing beyond December 25, 2027.

Variable expenses:

Items such as farrier, exercise rider, lead pony and shipping, and miscellaneous items such as special equipment (e.g., specialized blinkers or special feed supplements) will be billed to the account as they occur. A quarterly statement will be provided to the club members.

Payment of purse earnings:

Purse earnings will be paid out to the members quarterly from the net earnings. Quarterly payments must be at least $20.00 per membership interest before they are distributed in order to minimize banking fees. Quarterly payments per individual membership interest of less than $20.00 will be added to the next quarterly payment until the $20.00 minimum payment is met. Payment will be made by direct deposit through First Northern Bank of Wyoming. Unused money from the P3 campaign reserve and the veterinary expense account will be distributed to the members when the horse's racing career ends.

In addition, when and if the horse is sold, each membership interest will receive **0.05% of the Net Sale Price** of the 2025 filly by Vekoma out of

Classical Romance at the end of her racing career. Deductions from the gross sale price include but are not limited to: sale company's fees and costs, agents commissions, veterinary charges, and transportation costs.

The California Thoroughbred Racing Club is managed by Charles J. Constantine of the First Northern Bank of Wyoming. Trainer Jay C. Nehf will train the 2025 filly by Vekoma out of Classical Romance. Mr. Nehf's decisions, including choice of race, choice of jockey, sale, breeding, retirement, or adoption will be final. These decisions will be based on the best interest of the horse and the members' best interests.

Purchasing membership in the Club should be regarded as highly speculative, and should be considered entertainment and an introduction into the thrilling and exciting world of horse racing. Jay Nehf and the management do not guarantee the success or the performance of the horse or of the Club.