

Annual Stall Lease Agreement

THIS STALL LEASE AGREEMENT (hereinafter referred to as "Agreement") made and entered into this _____ day of _____, 20____, by and between The Thoroughbred Center, with its address at 3380 Paris Pike, Lexington, Kentucky 40511, Lessor (hereinafter referred to as "TTC"), and

_____ ,
hereinafter referred to Lessee.

W I T N E S S E T H

For and in consideration of the mutual covenants and undertaking set forth, the parties hereto agree as follows:

1. PREMISES: TTC does hereby lease and let unto Lessee, and Lessee does hereby rent from TTC ____ stall(s) and/or tack room(s) numbered _____

_____ in Barn _____ located at 3380 Paris Pike, Lexington, Kentucky. The lease of such stalls shall include the reasonable use of TTC's Training Tracks during the hours that the tracks are open for use and subject to the regulations thereof.

2. TERMS: The term of this lease shall be on an annual basis from _____ until _____ at the rate of \$ _____ per month per stall, payable on a monthly basis in advance on the first day of each month. In the event that Lessee occupies said stall(s) beginning on any date other than the first of the month, the rental rate shall be prorated on the basis of a rental fee of \$ _____ per stall per day, with said total prorated rental rate paid in any one month not to exceed the aforesaid monthly rental rate. With the exception of stalls leased in Barn #C and Barn #D, Lessee agrees to reimburse Lessor for prorated share of electricity charges as billed by Kentucky Utilities Company. Except for Barn #C and Barn #D all barns will be leased ONLY on a whole or one-half basis.

TTC reserves the right to amend the current rental rate upon 30 days written notice.

3. SERVICE CHARGE AND INTEREST DUE ON LATE OR UNPAID PAYMENTS: IN THE EVENT THAT LESSEE SHALL FAIL TO MAKE ANY RENTAL PAYMENT BY THE CLOSE OF BUSINESS ON THE 15TH OF THE MONTH, THERE WILL BE IMPOSED BY TTC UPON LESSEE A 5% SERVICE CHARGE. INTEREST AT THE RATE OF 1-1/2% PER MONTH (EQUAL TO 18% PER YEAR) ON THE UNPAID BALANCE FROM THE DATE WHEN SUCH PAYMENT BECAME DUE UNTIL PAID WILL BE ADDED AT THE END OF THE MONTH. IN THE EVENT OF NON-PAYMENT BY THE 15TH OF EACH MONTH, TTC MAY SUSPEND ACCESS TO THE TRAINING TRACKS UNTIL SAID PAYMENTS ARE MADE.

4. CONDITIONS AND RESTRICTIONS: The following list of conditions and restrictions upon the use of the stalls, stable area and facilities is expressly agreed to by Lessee. In addition, TTC may promulgate additional regulations governing the use of said facilities by posting notice of said regulations prominently in the stall and/or stable area, such regulations to be effective the same as if published in full herein. Failure by the Lessee and/or Lessee's agents, servants and/or employees to abide by these regulations will be cause for the immediate termination of this Agreement by TTC. TTC reserves the right to refuse this application for stable space, without notice to the undersigned.

(A) The Lessee shall be solely responsible for removing all muck and/or manure from his rental stall(s) on a daily basis by 11:00 a.m., and for loading said muck and/or manure onto a trailer or muck pit made available by TTC. The muck and/or manure must be free of any and all trash and/

or litter. The Lessee shall be responsible for the cleanliness of his rental stalls and adjoining aisles. Only wheat and/or rye straw may be used in the stalls; NO other substitutes (wood or paper) may be used.

(B) No trucks or vans for pick-up or delivery will be allowed on the premises after 6:00 p.m. or before 5:00 a.m. without prior written approval of TTC, which shall not be unreasonably withheld.

(C) No dogs are allowed on the premises at any time, without the express written consent of TTC.

(D) No children under 16 years of age are allowed on the premises during training hours.

(E) Any person who has been refused a license by the Kentucky State Racing Commission or any other State Racing Commission will not be allowed on The Thoroughbred Center premises.

(F) Any person found to be or reasonably thought to be drinking, intoxicated or in possession of alcoholic beverages or illegal drugs will be escorted from TTC premises, and, in the event such person is the Lessee, their agent, servant, employee, and/or invitee, this Agreement may be terminated. Cursing and profanity will not be permitted on the grounds in public areas. Smoking is strictly prohibited in and around the barn area.

(G) TTC reserves the right to refuse admission to the premises of ANYONE whether they be a member of the general public, an invitee, employee, agent and/or servant of Lessee, or an owner or trainer of any horse occupying a stall on the premises.

(H) Horses will be shod in designated areas only.

(I) There will be no washing of horses in the barns.

(J) Horses will not be galloped or jogged in the barns.

(K) Horses will be loaded or unloaded at ramps only.

(L) All trailers and vans will be parked in authorized and designated areas only.

(M) All vehicles of Lessee, their agents, servants and/or employees shall be parked in authorized and designated parking spaces only and be registered with TTC.

(N) All horses must have a negative Coggins test dated less than one year prior to date of arrival. This certificate must accompany the health certificate on arrival to TTC (KRS 257, Agr: Ls D. 5:15).

(O) The Lessee shall adhere to the Keeneland Association, Inc. Policy and Prohibition against Harassment.

(P) Lessee shall comply with the requirements for minimum liability insurance coverage and proof of workers' compensation coverage set out more fully in Paragraph 9.

5. SURRENDER: The Lessee covenants to surrender to TTC the possession of the leased premises upon the expiration of this Lease or upon its termination as herein provided in as good condition and repair as the same shall be at the commencement of this Agreement, ordinary wear and tear and insured losses excepted. Should Lessee fail to surrender premises after said expiration or termination, Lessee agrees to pay double the amount of rent of the month immediately preceding and all consequential, as well as direct, damages sustained by Lessor by reason of such retention, including any claims made by any succeeding tenant founded on such failure. Lessor at its option, and upon 10 days written notice to Lessee, may relocate Lessee to premises comparable to those originally occupied and amend this lease to so reflect.

6. RIGHT OF INSPECTION: TTC hereby reserves the right to make reasonable inspections of the premises at any time without prior notice.

7. DISCLAIMER AND INDEMNIFICATION: The undersigned understands that there are numerous hazards and risks of injury to himself, his agents, owners, employees, persons upon the track and training premises at his request and to his and their property incidental to accepting stalls at, practicing for, and participating in Thoroughbred horse training at TTC. Therefore, it is agreed, as one of the material considerations and inducements for TTC granting the undersigned an allotment of stalls and allowing the undersigned to train his horses at TTC, that the undersigned for himself and for those on whose behalf he trains horses, hereby releases, waives, discharges, covenants not to sue and assumes all risk of loss or damage, of whatsoever kind, nature or description, to his person or to his property or to the person or property of another of any kind or nature, as a result of, or arising out of his accepting stalls at, transporting horses to, or practicing for, or participating in horse training at TTC without regard to whether such loss, damage or destruction be the result of the sole negligence of TTC or any persons in the employee or service of TTC, TTC premises, or of defective appliances, machinery, or any other kind of property of TTC. Further, the undersigned, for himself, his agents, employees, persons on the premises at his request and for those on whose behalf he trains horses, shall save and hold the TTC harmless for all damages, actions, causes of actions, claims, attorney's fees, costs and losses arising out of any such loss, damage or destruction of whatsoever kind, nature or description, including that caused by sole negligence of TTC, that may arise or be sustained by the undersigned, or his property or the person or property of another resulting from this allotment of stalls, transporting horses, or from practicing for or participating in the training of horses at TTC. Lessee hereby specifically agrees to assume the duty of inspecting the track before training horses thereon, and trains horses thereon at his own risk. The Lessee further agrees to release

and hold TTC harmless for all loss occasioned by fire, theft, vandalism, lightning, floods and/or other acts of God. Lessee's use of the training tracks and other facilities is deemed to be acceptance of these conditions. These provisions shall be binding upon heirs, administrators, executors and assigns.

Warning Under Kentucky law, a farm animal activity sponsor, farm animal professional, or other person does not have the duty to eliminate all risks of injury of participation in farm animal activities. There are inherent risks of injury that you voluntarily accept if you participate in farm animal activities.

8. DESTRUCTION: If the stalls or leased premises shall be damaged, totally or partially, by fire or other casualty, TTC shall have the option to rebuild or terminate this Agreement. If leased premises are rendered totally unusable for Lessee's purposes, and TTC elects not to terminate this Agreement, Lessee's rent shall completely abate from the date of destruction until possession of same is redelivered. If rendered only partially unusable, rent shall be abated proportionately until same is rendered totally useable.

9. LIABILITY INSURANCE: The Lessee agrees to obtain and to keep in force during the term of this Agreement, liability insurance in a good and solvent company, to cover damages to TTC and/or third parties as a result of any accident or injury of any type caused by the Lessee and/or Lessee's agents, servants and/or employees. The Lessee agrees to carry such insurance in an amount not less than \$500,000.00 naming TTC as Certificate Holder on the Certificate of Insurance and providing TTC with proof of same. All applicants must have Worker's Compensation Insurance pursuant to Kentucky State Law and shall provide proof of same. TTC reserves the right to adjust the minimum required limits for liability insurance coverage in its discretion during the term of the Lease and any extension, and shall provide to Lessee 30 days advance written notice of any such adjustment. Proof of compliance with the adjusted minimum required insurance coverage shall be provided by Lessee at the end of the 30 day period.

10. DEFAULT: In the event of any failure of Lessee to pay any rent due hereunder when same shall be due, or any failure to perform any other of the terms and conditions of this Agreement and further, the failure to cure same within five (5) days subsequent to notice of said default, or if the Lessee or any guarantor of this Agreement shall become bankrupt or insolvent, file any debtor proceedings for reorganization or the appointment of a receiver or trustee of all or a portion of Lessee's or any such

guarantor's property, makes an assignment for the benefit of creditors or petitions or enters in such an arrangement, or abandons said premises, then TTC, in addition to the other rights and remedies it may have, may terminate this Agreement and/or may immediately reenter the leased premises and remove all persons and property therefrom. Such property may be removed and stored in a public warehouse, or elsewhere at the cost and for the account of Lessee, all without service of notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage which may be occasioned thereby. If TTC reenters and relets the leased premises, TTC shall receive all rent therefrom, but Lessee shall remain liable for all amounts due under this Lease less the proceeds of reletting same, if any, after deducting the expenses of reentering the leased premises and of any repairs necessary to prepare same for reletting. In the event of default, TTC, in addition to the foregoing, shall have such rights and remedies as are permitted and provided by law, including the right to reasonable attorney's fees and Court costs.

11. TERMINATION: TTC may terminate this Agreement on ten (10) days' notice in writing, delivered to Lessee, or to any agent, servant and/or employee of Lessee. In the event of such termination by TTC, TTC shall refund the unused portion of rent except that TTC shall be permitted to retain such portion of said rent to pay for any damages done to the leased premises by Lessee, their agents, servants and/or employees. At the end of the term of this lease, it shall automatically be extended from month to month upon the same terms and conditions as are contained herein unless Lessee provides TTC with written notice of intention to terminate at 3380 Paris Pike, Lexington, Kentucky 40511, not less than 30 days prior to termination or enters into a new lease for an extended term. Failure by the Lessee to provide such written notice of intent to terminate as set out herein will commit Lessee to an additional term of rental payments.

12. EQUINE DISCLAIMER: TTC shall not be liable or responsible for any injury or loss caused or suffered in any manner by or to the horse or horses or equipment owned by or in the custody of the owner (or any trainer or agent acting on behalf of an owner) while the said horses are on or off the premises, whether caused by the condition of the premises, by the negligence of any agent or employee of TTC or otherwise. The owner (and any trainer or agent acting on his behalf) assumes the risk for all injury to horses in his custody, ownership or control, regardless of the cause of such injury. The owner (and any trainer or agent acting on his behalf) agrees to hold TTC harmless against any loss, cost, damage or other expense

including reasonable attorney's fee incurred by TTC by reason of injury to or loss of any horses caused by the action of any horse owned by or in the custody of the owner (and any trainer or agent acting on his behalf) or by the action of any agent or employee of the owner.

13. NON-ASSIGNABILITY: This Agreement may NOT be assigned, transferred or subleased in all or part to allow any other person to occupy the premises without the express written consent of TTC.

14. LESSOR RETAINS LIEN: TTC shall have and retain a lien on the fixtures, and other personal property of the Lessee, including the horses to be stalled and trained hereunder, to secure TTC in the payment of the rental charges hereunder, to the same extent that such liens are permitted under Kentucky law.

15. ENTIRE AGREEMENT: It is understood and agreed by the parties hereto that this Agreement constitutes the entire agreement of the parties, and that no oral statement or prior written statement not attached hereto shall have any force and effect. The Lessee acknowledges that he has executed this Agreement fully aware of the condition of the leased premises, taking possession thereof shall be conclusive evidence that said premises were in good and satisfactory condition at the time of the execution of this Agreement.

16. NON-WAIVER AGREEMENT: The parties hereby expressly agree that no assent, express or implied, by TTC to any breach of any of this Agreement's provisions shall be deemed to be a waiver of any succeeding breach.

17. PARTIES BOUND HEREUNDER: This Agreement in its entirety shall be binding upon the parties hereto, their heirs, executors, administrators, successors and assigns.

18. GOVERNING LAW/JURISDICTION AND VENUE/WAIVER OF JURY TRIAL. This Lease will be governed by and construed in accordance with the internal laws of the Commonwealth of Kentucky (without giving effect to its laws regarding conflicts of law). The parties herein agree that jurisdiction and venue shall be the Fayette Circuit Court, Commonwealth of Kentucky. The parties also agree to waive any rights they may have to a trial by jury.

IN WITNESS WHEREOF, the parties have executed this Agreement this date and year first above written.

LESSOR: _____
THE THOROUGHBRED CENTER

BY: _____

WITNESS _____

LESSEE: _____

WITNESS _____

Billing Address (if different):

Lessee Address: _____

City, State, Zip code _____

Lessee Phone No.: _____ Fax No. _____

E-mail address _____ Social Security # _____