

ASHFORD STUD - 2017 STAND AND NURSE STALLION SERVICE CONTRACT

THIS NOMINATION PURCHASE AGREEMENT is made and entered into as of **12/16/2016**, by and between **AMERICAN PHAROAH SYNDICATE**, ("Seller") and **Runnymede Farm & Mr. Peter Callahan** ("Buyer").

Seller and Buyer agree as follows:

1. Seller hereby sells and Buyer hereby purchases a **2017 Northern Hemisphere Nomination** ("the Nomination") to the thoroughbred stallion **AMERICAN PHAROAH** (the "Stallion") for the breeding of the thoroughbred mare **HELENA BAY (GB)** (the "Mare") for a total purchase price of **Seventy Five Thousand Dollars And No Cents (\$75,000.00)**, plus 6% Kentucky sales tax, all due and payable on the 15th day following the birth of a single live foal which can stand alone and nurse produced as a result of breeding on the Nomination, subject to Paragraph 3 hereof.
2. Buyer agrees and warrants that: (a) Buyer will present the Mare for breeding, in sound breeding condition, free from infection and disease and the Mare will not present a risk to the health or safety of the Stallion or its attendants; otherwise, the Mare will not be bred. (b) Buyer will breed the Mare in conformity with Seller's booking and management procedures; (c) the Mare is, and until payment in full, will be, free of any lien or security interest except as separately disclosed in writing and approved by Seller; (d) in the event the Stallion is sold or cannot service the Mare or the Mare shall die or become unfit for breeding prior to being covered by the Stallion, this Contract shall be null and void; and, (e) in the event this Contract is executed by an Agent on behalf of Buyer, the undersigned agent warrants and represents that agent has disclosed to Buyer in writing the terms hereof and has obtained the written consent of Buyer to the receipt of any commission paid by Seller to Agent in connection with this Contract.
3. The purchase price and sales tax shall not be due and payable by Buyer, so long as Buyer is not otherwise in default of this Contract, if the Mare fails to produce a single live foal which can stand alone and nurse (or twins, neither of which Buyer elects to register with the Jockey Club), and Buyer delivers to Seller within 15 days of any such event a veterinary certificate to such effect.
4. The right of Buyer to be released from payment of the purchase price and sales tax under Paragraph 3 is specifically conditioned upon the Buyer's covenant (hereby made) to prevent any of the following acts, each of which constitute a default under this Contract and void the right to avoid payment of the purchase price and sales tax and upon the occurrence of any of the following, Buyer shall immediately pay the purchase price and sales tax if not yet due, and no refund shall be due to Buyer under any circumstances: (a) Buyer shall fail to present the Mare for breeding to the Stallion, sell the Mare, breed the mare to another Stallion, transport the Mare to a sales facility or transport the Mare outside the U.S. or Canada, other than for purposes of training and racing; (b) Buyer shall receive payment on a claim under any prospective foal or barrenness insurance policy related to breeding on the Nomination; or (c) Buyer shall fail to timely submit the veterinary certificate as required in Paragraph 3.
5. In addition to any statutory liens which may exist in favor of Seller to secure payment of the purchase price, Buyer hereby grants to Seller a security interest in the Mare, the offspring of the Mare from the breeding on the Nomination, the Stallion Service Certificate for such breeding and any other Stallion Service Certificates or Jockey Club Foal Registration Certificates in the possession of Bemak, N.V. d/b/a Ashford Stud (at any time) in which Buyer may have an interest in order to secure Buyer's obligations for payment to Seller under this, or any other contract between Seller and Buyer and Buyer hereby consents to the issuance of the Stallion Service Certificate in the name of Seller and registration of the foal by Seller, as agent, in the name of Seller. Buyer appoints Seller as its attorney-in-fact to execute financing statements and in the event the Mare or foal is subject to a security interest in favor of any third party, Buyer agrees to cause such third party to subordinate such security interest to the security interest of Seller. In addition to any sums due hereunder, Seller shall recover interest thereon at the rate of 2% per month, together with its attorney's fees and costs incurred in enforcement of its rights under this Contract.
6. Neither this Contract nor the Nomination shall be assigned by Buyer absent written consent of the Seller. This Contract is to be executed in duplicate and may be canceled by Seller if not executed and returned by Buyer within 14 days of the date of execution by Seller. This Contract contains the parties' entire agreement, shall be binding on the parties respective heirs, representatives and assigns, shall be construed and governed by the law of the Commonwealth of Kentucky, and may be executed by fax or original signatures in counterparts.

IN WITNESS WHEREOF, the parties hereto have set their hands on duplicate copies hereof as of the dates below written.



AMERICAN PHAROAH SYNDICATE



RUNNYMEDE FARM & MR. PETER CALLAHAN

December 16th 2016

DATE

1/4/17

DATE