

GR PSYCHES REY SYNDICATE AGREEMENT

THIS AGREEMENT, made this ____ day of _____, 20____, between the persons whose names and addresses are set out in the Schedule attached and who have subscribed for the number of shares set forth opposite their names (the "Shareholders"). Jay and Diane Allen (the "Stallion Owners"), owners of the purebred Arabian Stallion GR Psyches Rey, (AHA Registration Number 0586461), desire to form a Syndicate that will enable people to purchase lifetime breeding rights to GR Psyches Rey.

1. Sale; Breeding Rights.

Shareholders are buying the breeding rights only to GR PSYCHES REY, and are not purchasing or acquiring any ownership rights to GR Psyches Rey whatsoever. Shareholders will pay the sum of \$10,000.00 per share. Each share entitles the Shareholder to four (4) breedings per year to GR PSYCHES REY. Breedings sold by shareholders will be honored for two breeding seasons with a LFG. July 1st will be considered as the end of the breeding season. Any breeding(s) sold prior to July 1st will be good for that current breeding season and the next year's breeding season. Any breeding(s) sold after July 1st will be good for the next year's breeding season and the following year after that. There will be a total of fifteen (15) shares in this Syndicate. No outside parties will have the right to buy a breeding to GR PSYCHES REY, unless purchased directly from a Shareholder. These are exclusive breeding rights.

2. Stallion Owner Rights.

The Stallion Owners retain four (4) breedings to GR Psyches Rey per year for resale, and unlimited breedings each year for mares owned or leased by Stallion Owners. The Syndicate can donate up to two (2) breedings a year to futurity programs such as the Scottsdale Signature Stallion and Minnesota Breeders. Any other breeding donations will be determined by a majority vote of the Shareholders. All breedings donated to futurity programs will not count towards any Shareholder or the Stallion Owners' breedings.

3. Ownership.

The ownership of the breeding rights shall be one (1) or more share(s), and each Shareholder has the option of whether or not to insure his/her share(s). Each share will be on an equal basis with the others.

4. Location.

The horse shall be stabled and standing at stud at Golden Ridge Farms, 35444 N. 11th Ave., Phoenix, AZ 85086, and shall be under the personal supervision of Jay Allen.

5. Manager's Duties.

Jay Allen (the "Syndicate Manager") shall be the Syndicate Manager, and shall have full charge of and control over the management of the horse and of all training and promotion matters arising out of this enterprise. The Syndicate Manager shall keep accurate account of all expenses, and shall exercise his best judgment in all training, promotional and syndicate decisions. The Syndicate Manager shall have no duty to sell any breedings for the Shareholders.

6. Transferability.

Shares may be transferred subject to the terms of this Agreement, however, the new owners of any share must be approved by the Stallion Owners, which approval shall be granted in the sole discretion of the Stallion Owners. The responsibilities and compliance with this Agreement must be followed by the new Shareholders.

7. Expenses.

a. Each Shareholder shall pay to Syndicate Manager \$1000.00 per year for his/her proper share of the expenses of the Syndicate, including organizational, legal, accounting, advertising (a minimum \$15,000.00 advertising budget is guaranteed each year once the syndicate is sold out). The payment of these expenses does not include the Shareholder's expenses related to mare care, breeding and vet expenses and fees.

b. Syndicate Manager will send out a bill for the \$1,000.00 yearly fee on June 1st of each year. The payment will be due in 30 days. In the event of any Shareholder defaulting on this expense and falling over 60 days delinquent, such Shareholder will automatically forfeit their share including all their breeding rights. The Shareholder will have no legal or financial recourse. The share will then automatically become the property of the Stallion Owners to be resold, with all proceeds from the resale going to the Stallion Owners.

c. The shareholders must comply with the shipped/transported semen contract that will be provided to them.

8. Liability of Manager.

The Syndicate Manager shall not be personally liable for any act or omission committed by him except for willful misconduct or gross negligence.

9. Insurance.

The Stallion Owners shall be responsible for securing mortality insurance for GR PSYCHES REY, in an amount to be determined by Stallion Owners. If Stallion Owners receive any insurance proceeds from this insurance policy, the proceeds shall be the sole property of Stallion Owners.

10. Accounting.

The Syndicate Manager shall furnish each Shareholder periodically with a statement showing the receipts and expenditures and such other information as he may deem pertinent.

11. Special Meetings.

A special meeting of the Shareholders may be called by the Syndicate Manager at any time with reasonable notice.

12. Shareholder incentive

Each Shareholder is also eligible to receive up to 5 breedings to GR PSYCHES REY if ALL Shareholders use or sell all 4 of their breedings for two consecutive years. If this happens again, when all Shareholders have sold all 5 of their breedings for two consecutive years, then shareholders will be eligible to receive 6 breedings. This incentive caps at 6 breedings per share. Donated breedings do not count as used/sold breedings. Sold breedings must be used in the year that they are sold.

13. Notices.

All required notices shall be effective and binding if sent by prepaid registered mail or delivered in person to the current address of record for the respective Shareholder set out in the Schedule attached. Such address changes shall hereafter be designated in writing to the Syndicate Manager, addressed to: Jay Allen, 35444 N. 11th Ave., Phoenix, AZ 85086.

14. Miscellaneous.

This Agreement, when executed by the Owners, shall constitute the agreement between the parties, and shall be binding upon the Shareholders, their heirs, and assigns.

15. Liability.

This Agreement shall not be deemed to create any relationship by reason of which any party might be held liable for the omission or commission of any other party, unless otherwise provided.

16. Termination.

This Syndicate terminates on the sale of GR Psyches Rey, which sale shall be made in the sole discretion of the Stallion Owners. Upon such sale, however, each Shareholder shall remain entitled to the same number of breeding rights he/she had prior to the sale of GR Psyches Rey. The exclusiveness of the breeding rights may not be applicable upon the sale of GR Psyches Rey. The Syndicate will terminate fully upon the death of GR Psyches Rey and there will be no financial compensation to the Shareholders whatsoever from the Stallion Owners.

17. Arbitration.

The parties to this Agreement mutually agree that any and all disputes arising in connection with this Agreement shall be settled and determined by binding arbitration conducted in accordance with the then existing rules of the American Arbitration Association by one or more arbitrators appointed in accordance with said rules. Said arbitration shall take place in Maricopa County, Arizona.

18. Entire Agreement.

This constitutes the entire Agreement between the parties. Any modifications or additions MUST be in writing and signed by all parties to this Agreement. No oral modifications or additions will be considered part of this Agreement unless reduced to writing and signed by all parties. This agreement may be signed in separate counterparts.

IN WITNESS WHEREOF we have executed this Agreement the day and date first above written.

Signature

Address

Number of Shares Purchased