

ELITE STABLES, LLC SPONSORSHIP GENERAL TERMS AND CONDITIONS

These Elite Stables, LLC Sponsorship General Terms and Conditions (these “*General Terms*”) dated this ___ day of _____, 200__ are incorporated into all contracts for the sponsorship of certain race horses owned by Elite Stables, LLC (“*Elite*”) (each such contract may be referred to herein as a “*Sponsorship Contract*”). With respect to each Sponsorship Contract, each party agrees as follows:

1. **Definitions.**

- 1.1. “*Party*” means Elite or any other party to a Sponsorship Contract.
- 1.2. “*Sponsor*” means any Party who enters into a Sponsorship Contract with Elite.
- 1.3. “*Effective Date*” means the date on which the Sponsorship Contract is executed and accepted by Elite.

2. **Conflicts in Provisions.** In case of conflict between any provision of these General Terms and any provision of a Sponsorship Contract, the provision of the Sponsorship Contract shall apply.

3. **Sponsorship.** Sponsor agrees to become a sponsor of certain race horses owned by Elite (the “*Sponsored Horses*,” any one of which may be referred to herein as a “*Sponsored Horse*”) as specified in the Sponsorship Contract. The Sponsored Horses which are subject to Sponsor’s sponsorship will be chosen by Elite in its sole discretion, and may be changed from time to time without notice to, or the approval of, Sponsor.

4. **Term.** The term of the Sponsorship Agreement shall begin on the Effective Date and continue for a period of years as specified in the Sponsorship Agreement, unless terminated earlier pursuant to Section 7 of these General Terms (the “*Term*”).

5. **Sponsor Identification.** Beginning on the date that is thirty (30) days after the date the Initial Payment (as defined in Section 6 is received by Elite), Sponsor will be identified as follows: (a) each Sponsored Horse’s management and training team will wear hats identifying the Sponsor on race day; (b) all marketing materials created by Elite to advertise a Sponsored Horse’s participation in a particular race will identify Sponsor; and (c) the Sponsor will be identified in any race day interviews given by members of a Sponsored Horse’s management or training team.

6. **Compensation.** During the Term, Sponsor agrees to pay an annual sponsorship fee as set forth in the Sponsorship Contract (the “*Annual Sponsorship Fee*”) to Elite. The Annual Sponsorship Fee will be paid each year of the Term, without offset, in four (4) equal, quarterly installments as follows: the first quarterly installment of the first year’s Annual Sponsorship Fee (the “*Initial Payment*”) will be paid within thirty (30) days after the Effective Date; the second quarterly installment of the first year’s Annual Sponsorship Fee will be paid on the first day of the first quarter that follows the date that

the Initial Payment is due; and quarterly installment payments will continue on the first day of each subsequent quarter until the full amount due under this Section 6 is paid in full. For the purposes of this Section 6, the first quarter of each year begins on January 1st of that year and ends on the last day of March of that year; the second quarter of the year begins on the first day of April of that year and ends on the last day of June of that year; the third quarter of the year begins on the first day of July of that year and ends on the last day of September of that year; and the fourth quarter of the year begins on October 1st and ends on the last day of the year. In the event that a Sponsor fails to make any payment to Elite when due hereunder, the unpaid amount shall accrue interest at the monthly rate of one and one-half percent (1 ½ %) or the highest rate permitted by law, whichever is lower.

7. **Termination.** Either Party may terminate this Agreement, upon five (5) calendar days prior written notice in the event of a material breach of this Agreement by the non-terminating Party which is not cured within ten (10) calendar days after written notice of such breach.
8. **Disclaimer of Warranties.** ELITE DISCLAIMS ALL WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, AS TO ALL GOODS OR SERVICES IT SUPPLIES.
9. **Limitation of Liability.** IN NO EVENT SHALL ELITE BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES WHATSOEVER (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF BUSINESS INFORMATION, OR ANY OTHER PECUNIARY LOSS) ARISING FROM ITS SUPPLYING, OR FAILING TO SUPPLY, ANY GOODS OR SERVICES. IN ANY EVENT, ELITE'S ENTIRE LIABILITY UNDER ANY PROVISION OF A CONTRACT OR THE GENERAL TERMS SHALL BE LIMITED TO THE AMOUNT ACTUALLY PAID BY CLIENT PURSUANT TO THE CONTRACT AT ISSUE.
10. **Indemnification.** Sponsor will indemnify, defend, and hold harmless Elite and its officers, directors, members, employees, agents, successors, and assigns, from all losses and threatened losses arising from or connected with the actual omissions of Sponsor, or employees or agents of Sponsor in the performance of this Agreement.
11. **Notices.** Each notice, demand, request, request for approval, consent, approval, disapproval, designation or other communication required or desired to be given or made under the Sponsorship Contract or the General Terms shall be in writing and shall be effective and deemed to have been received (i) when delivered in person, (ii) when sent by fax with receipt acknowledged, (iii) five (5) days after having been mailed by certified or registered United States mail, postage prepaid, return receipt requested, or (iv) the next business day after having been sent by a nationally recognized overnight mail or courier service, receipt requested. Notices shall be addressed as set forth in the Sponsorship Contract.

12. **Time is of the Essence.** Time is of the essence in each Party's performance of all obligations under the Sponsorship Contract or the General Terms.
13. **Dispute Resolution.** Any controversy or claim arising out of or relating to these General Terms or any Sponsorship Contract, or the alleged breach thereof, will be resolved by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules. If such arbitration becomes necessary, the following procedures will apply: (a) the arbitration will be held in the Washington, D.C. Metropolitan area or such other locale as the parties agree upon, in writing; and (b) the dispute shall be heard by one arbitrator.
14. **Governing Law.** The Sponsorship Contract and the General Terms are governed and shall be construed by the laws of the Commonwealth of Virginia, without regard to its conflict of laws provisions.
15. **Attorney's Fees and Costs.** Should Sponsor breach the Sponsorship Contract or the General Terms, Elite shall be entitled to an award of its costs, reasonable attorneys' fees, and all expenses of arbitration (including, without limitation, all administrative fees, arbitrator's fees and compensation, and travel and other expenses of the arbitrator) expended in any effort to enforce the terms of the Sponsorship Contract or the General Terms in any case in which it is the prevailing party.
16. **Severability.** In the event that any provision of the Sponsorship Contract or the General Terms is invalidated by a court of competent jurisdiction, then all of the remaining provisions of the Sponsorship Contract and the General Terms shall continue unabated and in full force and effect.
17. **Joint Drafting.** The Sponsorship Contract and the General Terms shall be deemed to have been jointly drafted by the Parties for all purposes involving its construction and enforcement.
18. **Execution in Counterparts.** The Sponsorship Contract may be executed in counterparts, all of which taken together shall constitute one and the same Contract.
19. **Further Assurances.** The Parties agree to cooperate fully and execute any and all supplementary documents and to take all additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of the Sponsorship Contract and the General Terms.