Fractional Standardbred Ownership Agreement

Donnelly Standardbreds | Version 1.2

Effective date ________________________________

Horse ________________________________

USTA number ________________________________

Owner ________________________________

Owner address ________________________________

Email / telephone ________________________________

Ownership percentage ________ %

One-time purchase price $____________________________

Trainer ________________________________

Manager Bill Donnelly, doing business as Donnelly Standardbreds

This Fractional Standardbred Ownership Agreement (the “Agreement”) is entered into by the person identified above (“Owner”) and Bill Donnelly, doing business as Donnelly Standardbreds (“Manager”), concerning the Standardbred identified above (the “Horse”).

1. Ownership Interest and Purpose

- Owner purchases the stated undivided percentage interest in the Horse. The purchase price equals the Horse's listed value multiplied by the percentage purchased, unless a different horse-specific price is stated above.
- The ownership interest is intended to provide participation in the Horse's training, racing, and related ownership experience. It is not a guaranteed investment, deposit, security, or promise of profit.
- Title, registration, licensing, and stable-name arrangements will be handled as required by the United States Trotting Association, applicable racing commissions, racetracks, and other governing authorities.

2. Purchase Price and Effective Date

- Owner's interest becomes effective only after this Agreement is signed, required ownership or licensing information is provided, and cleared payment of the one-time purchase price is received.
- The purchase price is nonrefundable after the ownership interest becomes effective, except as expressly agreed in writing or required by law.

3. Monthly Fees

- Owner will pay the monthly fee applicable to the Horse's current phase for each 1% owned: Turnout - $20; Training - $28; Training and Racing - $36.
- The applicable rate may change as the Horse moves between phases. Monthly fees begin on the effective date stated above and may be prorated for a partial first month at Manager's discretion.
- Base rates are subject to change and may vary by trainer. Manager will provide reasonable advance notice of a rate change whenever practical.

4. Included and Separately Billed Costs

- The monthly fee includes ordinary recurring costs associated with the Horse's current phase, including routine board, daily care, routine veterinary bills, shoeing, stall rental, harness rental, ordinary farm expenses, and normal training and racing expenses when applicable.
- Transportation is not included in the standard monthly ownership fee. Transportation expenses will be billed separately as incurred and allocated according to each Owner's percentage interest.
- The following are also billed separately in proportion to ownership: (a) staking, nomination, sustaining, and entry fees; and (b) extraordinary veterinary expenses, including major diagnostics, treatment, surgery, or emergency care.
- Manager will communicate separately billed costs in advance whenever practical. Emergencies and urgent welfare needs may require action before Owner notice or approval.

5. Billing, Statements, and Payment

- Manager will provide periodic invoices or statements showing monthly fees, separately billed expenses, credits, and distributions. Amounts are due within fifteen (15) days of the invoice date unless the invoice states otherwise.
- Manager may apply purse or sale proceeds otherwise distributable to Owner against overdue amounts. Owner remains responsible for any unpaid balance.
- If payment remains unpaid thirty (30) days after written notice, Manager may suspend discretionary owner benefits, declare Owner in default, and exercise the remedies in Section 13.

6. Management and Decision Authority

- Manager and the designated trainer have authority over ordinary care, training, equipment, qualifying, race selection, entries, drivers, transportation, turnout, rehabilitation, and other day-to-day matters.
- Manager may change trainers, racing locations, or ordinary plans when reasonably believed to serve the Horse's welfare or the ownership group. Manager will communicate significant developments to owners.
- For a proposed sale, retirement, major elective veterinary procedure, or other material decision, Manager will seek owner input when practical. Final authority will be exercised in good faith with horse welfare first, after considering professional advice and the interests of the ownership group.
- In an emergency, Manager or the trainer may authorize veterinary care, transportation, humane euthanasia, or other action reasonably necessary to protect the Horse without prior owner approval.

7. Owner Communication and Participation

- Manager will provide regular updates regarding training progress, qualifiers, races, veterinary developments, and significant decisions, with photos or videos when available.
- Stable visits, paddock access, race attendance, and winner's-circle participation are encouraged when practical but remain subject to advance arrangement and trainer, farm, racetrack, licensing, safety, and capacity rules.
- Owner will keep current contact information on file and communicate respectfully with the Manager, trainer, staff, other owners, and racing participants.

8. Purse Earnings and Other Credits

- Purses are typically allocated by finish at 50% / 25% / 12% / 8% / 5% for first through fifth, but actual allocations vary by race, track, and jurisdiction.
- From the Horse's gross purse earnings, applicable deductions include 5% to the trainer and 5% to the driver, plus any other mandatory or approved deductions. Remaining net purse proceeds are distributed according to ownership percentage.
- Manager may distribute proceeds periodically or credit them against amounts due. Statements will identify distributions or credits.

9. Sale, Retirement, and Disposition

- If the Horse is sold, net sale proceeds after commissions, transportation, veterinary certificates, auction charges, registration costs, and other sale-related expenses will be distributed according to ownership percentage after outstanding obligations are paid.
- If the Horse is retired from racing, Manager will develop a responsible retirement, breeding, rehabilitation, placement, or sale plan with appropriate professional input. Continuing costs remain allocated under this Agreement until ownership or responsibility is transferred or otherwise resolved.
- Horse welfare will control any decision involving serious injury, chronic pain, unsafe condition, quality of life, or humane euthanasia.

10. Risk Acknowledgment and No Guarantee

- Owner understands that horses may become ill, injured, unable to qualify, unable to race, sterile, permanently disabled, or die. Training schedules, racing plans, trainers, expenses, purchase value, and resale value may change.
- No representation or guarantee is made concerning racing success, purse earnings, soundness, future value, sale proceeds, tax treatment, or financial return. Owner may lose all of the purchase price and remain responsible for applicable expenses.
- Owner accepts the ordinary risks of equine ownership and participation, subject to rights that cannot lawfully be waived.

11. Insurance and Taxes

- No mortality, major medical, liability, or other insurance is included unless expressly stated in writing. If insurance is obtained for the Horse, premiums, deductibles, exclusions, claim authority, and proceeds will be handled as stated in the applicable policy or written group decision.
- Each owner is responsible for personal tax, licensing, reporting, and professional-advice obligations. Manager does not provide legal, tax, investment, or insurance advice.

12. Transfer or Sale of an Ownership Interest

- Owner may not sell, assign, pledge, gift, or otherwise transfer the ownership interest without Manager's prior written approval and compliance with racing, registration, licensing, and ownership-group requirements.
- Manager may require a proposed transferee to complete an ownership agreement, satisfy amounts due, and meet regulatory requirements. No transfer releases Owner from obligations incurred before the effective transfer date.
- Manager or the ownership group may be offered the opportunity to purchase the interest on the same material terms before transfer to an outside party.

13. Default and Remedies

- An owner is in default for failure to pay amounts due after required notice, material breach of this Agreement, prohibited transfer, falsified information, or conduct that materially harms the Horse, stable, ownership group, or regulatory standing.
- After written notice and a reasonable opportunity to cure when cure is practical, Manager may offset distributions, suspend discretionary participation, arrange a sale of the defaulting interest, or pursue other lawful remedies. Sale proceeds from the interest may be applied to costs and unpaid obligations, with any balance remitted to Owner.
- Emergency or regulatory action may be taken immediately when delay would threaten horse welfare, safety, or racing eligibility.

14. Term and Termination

- This Agreement continues until the Horse is sold, all interests are consolidated or transferred, the Horse dies, the ownership arrangement is otherwise wound up, or the parties agree in writing to terminate it.

- Termination does not eliminate obligations, expenses, rights to proceeds, indemnities, or accounting items arising before termination. Manager will provide a final accounting after known receipts and expenses are reasonably determined.

15. Liability and Indemnification

- To the fullest extent permitted by law, Manager is not liable for loss caused by the inherent risks of equine activity, ordinary racing or training decisions made in good faith, third-party acts, illness, injury, death, regulatory action, or events outside reasonable control.
- Owner will indemnify Manager, the trainer, and their agents from claims and costs arising from Owner's breach, unlawful conduct, or acts outside authorized owner participation, except to the extent caused by a protected party's gross negligence, willful misconduct, or liability that cannot lawfully be limited.

16. Records, Privacy, and Publicity

- Manager will maintain reasonable ownership, billing, and distribution records. Owner may request a reasonable explanation of entries relating to Owner's account.
- Owner permits use of the Owner's name, ownership percentage, and race-related photographs or video for stable, racing, and promotional purposes unless Owner gives written notice requesting reasonable limits. Financial and sensitive personal information will not be publicly disclosed except as required by law or racing authorities.

17. Governing Law and Disputes

- This Agreement is governed by Ohio law, without regard to conflict-of-law principles. The parties will first attempt in good faith to resolve a dispute through direct discussion.
- If a dispute is not resolved, any action shall be brought in a court of competent jurisdiction in Franklin County, Ohio, unless applicable law requires another venue.

18. General Provisions

- This Agreement, its horse-specific schedule, and any signed written addenda constitute the entire agreement concerning this ownership interest and replace prior oral or written understandings on the same subject.
- An amendment must be in writing, except that phase-based monthly rate changes and reasonable operating updates may be communicated electronically as provided in this Agreement.
- Electronic notices and signatures are permitted. If any provision is unenforceable, the remaining provisions remain effective. No waiver is continuing unless stated in writing. Owner may not bind Manager, the trainer, the Horse, or other owners to any obligation.

Signatures

By signing, each party acknowledges that the party has read, understands, and agrees to this Agreement and has had the opportunity to seek independent legal, tax, and financial advice.

OWNER	MANAGER
Signature: ______________________________	Signature: ______________________________
Printed name: ___________________________	Bill Donnelly, d/b/a Donnelly Standardbreds
Date: __________________________________	Date: __________________________________