

MAREWORTHY CHARITIES CONDITIONAL BILL OF SALE AND ADOPTION AGREEMENT

This Conditional Bill of Sale and Adoption Agreement is made and entered into as of the last date listed below, by and between Mareworthy Charities, Inc., a Kentucky not-for-profit corporation (hereinafter "Mareworthy") and the person signing below (hereinafter "Adopter")

For valuable consideration as hereinafter described, the parties agree as follows:

1. Adopted Horse. Adopter hereby adopts the horse identified in this Paragraph subject to all the terms and conditions of this Agreement. Horse: Name: _____, Tattoo, Microchip or Registration Number: _____.
2. Adoption Fee. Adopter shall pay Mareworthy a one-time "Adoption Fee" of \$_____, which sum shall be due and payable upon execution of this Agreement by both parties hereto.
3. Title, Liability and Risk of Loss. Title, Risk of Loss and Liability with respect to the Adopted Horse shall pass to the Adopter upon receiving physical possession of the Adopted Horse and upon accepting possession thereof, or through its transportation agent. Adopter does hereby indemnify and hold harmless Mareworthy with respect to all claims whatsoever related to the Adopted Horse, including, but not limited to, its reasonable attorneys fees incurred in connection with the response to or defense of, any such claim. Adopter shall be solely responsible for transportation and costs thereof for removal of the Adopted Horse from Mareworthy's premises and for obtaining a valid health certificate prior to such transport.
4. Reporting/Inspection Term of Agreement. The parties hereby agree that the ("Probation Period") for purposes of Adopter Reports and Inspection, the inspection and reporting term shall be for a period of 12 months from the date of execution of this Agreement. During the Probation Period of this Agreement Adopter agrees to provide:
 - a. Update Reports. As requested by Mareworthy (and within seven (7) days of serious injury, illness or death of the Adopted Horse), Adopter shall provide a written update report to Mareworthy which shall include:
 - i. A current body photograph of the Adopted Horse without blanket or tack taken within 15 days of submission; and
 - ii. A narrative description of the Adopted Horse's progress and condition and any additional information requested by Mareworthy; and
 - iii. Complete information concerning any change in the boarding facility, horse location, Adopter address, email, phone number; or
 - iv. In the event of serious injury, illness or death, a complete signed veterinary report.
 - b. Information/Inspections.
 - i. Upon seven (7) days notice from Mareworthy, Adopter shall provide copies of any veterinary records, receipts or reports concerning the Adopted Horse;
 - ii. Adopter shall provide fourteen (14) days advance written notice to Mareworthy prior to relocating the Adopted Horse;
 - iii. Adopter expressly authorizes Mareworthy representatives to inspect the Adopted Horse at any time, at any location, including but not limited to, any private stable location.
5. Prohibited Acts/Sale of Horse. Adopter expressly agrees that the Adopted Horse shall not be placed in training as a racehorse, entered into a race, be offered for sale at public auction, be sold directly or indirectly for the purpose of slaughter, or be used as a means of transportation on any public roadway. Adopter shall NOT have the right to sell/re-home the Adopted Horse to a third party except under these conditions:
 - i. It is beyond the 12 Month Probationary Period set forth above and all Updates (details in Section 4) have been submitted and confirmed received by Mareworthy.
 - ii. Written Notice of a proposed sale is immediately provided to Mareworthy which contains the terms and conditions of a bona- fide third party offer ("Offer") and Mareworthy shall have the right, but not the obligation, to purchase the Horse at the same price as the Offer ("Right of First Refusal") and Mareworthy shall arrange transportation to a Mareworthy facility.

- iii. Mareworthy upon receiving the above notice declines its Right of First Refusal.
 - iv. The third party must complete a written Agreement with Mareworthy agreeing to the conditions of this Agreement.
6. Standard of Care. In caring for the Adopted Horse, Adopter shall exercise the degree of care, at a minimum, as set forth in the standards adopted by the Thoroughbred Aftercare Alliance (which are hereby incorporated herein by reference) and available here www.thoroughbredaftercare.org/code-of-standards/ and shall include customary farrier, worming, vaccination and nutrition sufficient to maintain the Adopted Horse at a minimum score of 4 on the Henneke Scale <http://www.habitatforhorses.org/the-henneke-body-condition-scoring-system/>.
7. Limited Option of Mareworthy to Void Adoption Agreement. It is expressly agreed that Mareworthy shall have the right, which is hereby granted, to give written notice to Adopter of the voiding of this Agreement, for any reason, whereupon all right title and interest in the Adopted Horse shall immediately revert to Mareworthy which may immediately retake possession of the Adopted Horse without further legal action and without further legal recourse by Adopter and with no refund of any Adoption Fee. Adopter further expressly agrees that Mareworthy shall be entitled to immediate injunctive relief in order to enforce the terms of this paragraph by virtue of there being no other adequate legal remedy for such enforcement. In the event of the exercise by Mareworthy of its rights under this paragraph, Adopter shall be obligated to pay all costs incurred by Mareworthy in enforcing this paragraph, including, but not limited to, its reasonable attorneys fees.
- i. Mareworthy may, in its sole discretion, conduct random and unannounced visits to inspect the Adopted Horse and its environment.
 - ii. If Mareworthy in its sole discretion determines that Adopter is not in compliance with this Agreement or that the Adopted Horse is in an unsatisfactory condition or environment, New Vocations shall have the right, but not the obligation, to (i) terminate this Agreement; (ii) terminate all interest and rights of possession that Adopter or its assignees may have in the Adopted Horse; and (iii) take possession of the Adopted Horse as provided in 7(iii) below.
 - iii. If Mareworthy reclaims possession of the Adopted Horse, the following shall apply; (i) no court order shall be required for Mareworthy to enter upon the facility in which the Adopted Horse is kept and to reclaim possession of the Adopted Horse; (ii) Adopter agrees to indemnify, release and hold harmless Mareworthy from any and all liability or claims associated with any expenses (including, without limitation; board, veterinary fees, farrier charges, transportation fees) related to possession of the Adopted Horse up to the date that the Adopted Horse is returned to Mareworthy; (iii) Adopter further agrees to indemnify, hold harmless and release Mareworthy from any and all liability or claims associated with Mareworthy's exercising its rights to reclaim the Adopted Horse; (iv) Adopter shall not be entitled to the return of the Adoption Fee.
8. Warranties and Disclaimers. Mareworthy hereby warrants and represents that it is the owner of the Adopted Horse and has full right and title thereto for purposes of entering into the terms of this Agreement. Adopter warrants and represents that all information contained in the Adoption Application is true, correct and complete. MAREWORTHY MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE ADOPTED HORSE, OR ANY OTHER EVENT, COVENANT, CONDITION OR OCCURRENCE, INCLUDING WITHOUT LIMITATION, THE TEMPERMENT OR SUITABILITY OF THE ADOPTED HORSE FOR RIDING, ALL OF SUCH WARRANTIES BEING SPECIFICALLY DISCLAIMED. ADOPTER THEREFORE ACCEPTS THE ADOPTED HORSE ON AN "AS IS" AND "WITH ALL FAULTS" BASIS. ADOPTER ACKNOWLEDGES THAT MAREWORTHY MADE NO ORAL REPRESENTATIONS OR WARRANTIES.
9. Right to Return the Horse. The Adopter shall have the right to return the Adopted Horse to Mareworthy at any time without penalty. However, the Adopter shall be solely responsible for all transportation costs incurred in returning the Adopted Horse to Mareworthy. By exercising this right to return the horse, the Adopter forfeits any adoption fees paid. Furthermore, Mareworthy will not reimburse the Adopter for any expenses incurred by the Adopter.
10. Penalty. Should Adopter default or breach the terms of this Agreement, Adopter shall be obligated to pay \$5,000 to Mareworthy in damages within 10 days of notification to Adopter of the breach or default. If Adopter sells the

Adopted Horse in violation of this Agreement, Adopter shall pay Mareworthy \$5,000 or the Sales Price of the Adopted Horse, whichever is greater, within 10 days of notice to Adopter by Mareworthy and may be immediately placed on the "Do Not Adopt" list for Mareworthy and Mareworthy shall notify all adoption agencies including Thoroughbred Aftercare Alliance of such breach.

11. Choice of Law, Venue and Warning. This Agreement shall be governed and construed according to the laws of the Commonwealth of Kentucky and venue for any action brought to enforce its terms shall be vested in the Scott County Circuit Court, Georgetown, Kentucky, to the jurisdiction and venue of which Court both parties hereby consent. This Agreement shall be binding upon the parties, their respective heirs, successors and assigns. The waiver of any provision hereof by Mareworthy on any one occasion shall not effect a waiver of any provision hereof or of any provision of any other agreement to which Mareworthy is a party. This Agreement is the entire Agreement and may be modified only in writing and this Agreement may be executed in counterparts, by fax, original or electronic signatures.

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 OR PARTICIPATION IN FARM ANIMAL ACTIVITIES. THERE ARE INHERENT RISKS OF INJURY THAT YOU VOLUNTARILY ACCEPT IF YOU PARTICIPATE IN FARM ANIMAL ACTIVITIES.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the last date below written:

"MAREWORTHY CHARITIES, INC"

BY

(Signature): _____ DATE: _____

PRINT NAME: _____

TITLE: _____

"ADOPTER"

BY

(Signature): _____ DATE: _____

PRINT NAME: _____

ADDRESS: _____

PHONE: _____

EMAIL: _____

"ADOPTED HORSE"

REGISTERED NAME: _____

TATTOO/MICROCHIP/REG# _____