

Shadow Play

*p,2,1:57.2; 3,1:48.2f-1:50h; 4,1:47.4-'09 (\$1,549,881)
The Panderosa-Matt's Filly by Matt's Scooter*

Term Sheet



A. Overview

To Stand at Winbak of Canada, Caledon, Ontario

Syndicate Manager: Blue Chip Farms, LLC.

2010 Stud Fee -- \$5,000 Canadian

Total Syndication Price: \$2.4 million (US dollars)

There will be 120 shares in the stallion, 36 shares to be retained by the original owners.

- Two Share & One share lots to be sold with one breeding per share
 - For breeding seasons 2010-2013; each shareholder purchasing a 2 –share lot will receive a “4 for 2” breeding option.
 - For breeding seasons 2010-2013; each shareholder purchasing a 1 –share lot will receive a “2 for 1” breeding option.
 - For breeding seasons 2014 onward; there will be no “4 for 2” or “2 for 1” options.
- 27 additional breedings per year shall be allocated to:
 - 14 to Winbak Farms
 - 6 to Blue Chip Farms
 - 4 to original owners
 - 1 allocated for Charity.
 - 2 Complimentary to Driver and Trainer.

- With a base book of 150, there will be 3 additional breedings to be used at the discretion of original owners to service “4 for 2” and “2 for 1” breeding options from 2010-2013. After that time they shall be counted as part of additional breedings to original owners.
- For as long as Stallion stands in Canada Shadow Play will be allowed to breed a nominal overage of mares, the number to be determined by the Syndicate Manager. The income from the overage pool shall be shared, pro-rata, with the shareholders.

B. Per Share Cost (US Funds):

	Jan. 15, 2010	Jan. 15, 2011	Jan. 15, 2012	Jan. 15, 2013	Jan. 15, 2014
Annual Payment	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Interest (4%)	N/A	\$ 640	\$ 480	\$ 320	\$ 160
Total Payment	\$4,000.00	\$4,640	\$4,480	\$4,320	\$4,160

Estimate of Southern Hemisphere Income per share	Based on a conservative annual book of 200 mares	\$1,200	\$1,200	\$1,200	\$1,200
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Estimate of Net Yearly Purchase Expense	\$4,000.00	\$3,440	\$3,280	\$3,120	\$2,960
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C. Other Financials

Ordinary Expenses

Winbak of Canada will pay for board and routine veterinary care of stud. Record keeping, promotion and administrative costs shall be the responsibility of Blue Chip Farms.

Additional/Extraordinary Expenses

Shareholders will share proportionately in all advertising, extraordinary veterinary expenses, stallion nomination fees, frozen semen costs (if any), Care and Custody insurance, and any legal costs.

Accounting and Cashflow

Blue Chip Farms will provide a bi-annual accounting of income and expenses. All funds will be kept in a separate interest bearing account, which will be distributed at Blue Chip Farms' discretion; but no less than on a bi-annual basis on June 30 and December 31 of each year.

Southern Hemisphere

Alabar Stud has purchased 65% of Shadow Play's Southern Hemisphere breeding rights. The syndicate shall retain 35% and shall share pro rata in that portion of the net stud fee income from the 2010/11 breeding season forward.



All Inquiries, please contact

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