

TRAINING AGREEMENT

This TRAINING AGREEMENT (“Agreement”), entered into on _____, 200__ (the “Effective Date”), is made by and between RDLA, Inc., a California corporation doing business as Rancho De Los Amigos (hereinafter referred to as “RDLA”), with address at 12350 Cull Canyon Road, Castro Valley, California 94552, and with address at _____ (hereinafter referred to as the “Trainer”). RDLA and Trainer are sometimes referred to herein individually as a “Party” and collectively as the “Parties.”

RECITALS

A. RDLA is the owner of an equestrian stabling business (the “Business”), located on a tract of land with improvements and surrounding acreage at 12350 Cull Canyon Road, Castro Valley, California 94552 (the “Property”).

B. Trainer desires to train, instruct and/or handle the “Horses,” as hereinafter defined, pursuant to the terms and conditions of this Agreement at the Property.

C. RDLA desires to permit Trainer to train the “Horses,” as hereinafter defined, pursuant to the terms and conditions of this Agreement at the Property.

D. The Parties warrant that they have the right to enter into this Agreement.

E. The “Recitals” are hereby incorporated into the Agreement and made a part hereof.

In consideration of the mutual covenants, agreements, representations and warranties contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. RDLA Fees. Trainer hereby agrees to pay to RDLA _____ Dollars (\$_____) per [training session/month/horse] (the “Facility Fee”) for the right to use those facilities at the Property and/or under the control of RDLA.

2. The Facility. The facility shall include those areas of the Property that are generally associated with Trainer’s reasonable training, instructing and/or handling of “Horses” pursuant to customary equestrian standards (the “Facility”). The location of Trainer’s training, instruction and/or handling of the “Horses,” as hereinafter defined, shall be limited to the Facility, as defined herein or as later modified and/or specified by RDLA, in its sole discretion.

3. Training Fees; No Obligation of RDLA.

(a) Training Fees. The owners of horses trained by Trainer at the Facility (collectively, the "Owners"), shall agree to a payment structure for Trainer's training, instructing and/or handling of the Owners' horses (collectively, the "Horses"), at the Facility. Said agreement shall be separate and apart from those obligations as defined herein. However, in the event of a conflict between the terms of this Agreement and any agreement between the Owners and Trainer, the terms of this Agreement shall govern.

(b) Obligation of RDLA. The Parties hereto represent, warrant and agree that at no time shall RDLA be responsible for any payment due to Trainer arising out of any obligation(s) that the Owners may have to Trainer.

4. Obligations of Trainer. Trainer represents, warrants and agrees that he/she/it shall provide the Horses with normal and reasonable care, as determined in the sole discretion of Trainer, in training, instructing and/or handling the Horses. Trainer shall be solely and exclusively responsible for the following:

(a) Safe Training Activities. Trainer shall train, instruct and/or handle the Horses in such a manner that is consistent with current equestrian standards so as to assure the safety and well-being of the Horses.

(b) Communications with the Owners. Trainer shall be responsible for providing the Owners and, when necessary, RDLA, with Trainer's proposed activities for the Horses so as to assure that the Owners and RDLA are advised of all training activities involving the Horses.

(c) Authorization for Unique Training Activity. In the event that Trainer intends to conduct activities that are not customary with respect to typical equestrian training activities, Trainer shall obtain the consent of each of the Owners whose Horses will receive such training and, where necessary, RDLA, so as to assure such training activity(ies) are carried out with the informed consent of the Owners and RDLA.

5. Equipment Supply Obligations of RDLA. RDLA shall not be obligated to supply any equipment relating to the maintenance, storage, training, instructing and/or handling of the Horses. Nor shall RDLA have any liability, or be responsible for, the personal property of the Owners and/or Trainer.

6. Rules and Regulations. Trainer agrees to abide by all of the rules and regulations of RDLA in effect as of the Effective Date, as modified, amended or changed by RDLA in its sole discretion. In the event that Trainer's training activity with the Horses and the rules and regulations of RDLA conflict, Trainer shall be required to modify his/her/its training activity(ies) in order to assure compliance with RDLA's rules and regulations. Moreover, in the event of a conflict between Trainer's training activity(ies) with respect to the Horses and the rules and regulations of RDLA, the rules and regulations of RDLA shall govern.

7. Insurance.

(a) Trainer's Obligations. Trainer shall, at Trainer's sole expense, procure and maintain in force at all times, the following insurance coverages:

(i) General Liability Insurance; Errors and Omissions Insurance.

(a) A policy of commercial general liability insurance (on an occurrence basis) having a combined single limit of not less than _____ Dollars (\$_____) per occurrence and _____ Dollars (\$_____) aggregate per location if Trainer is operating in multiple locations, providing coverage for, among other things, blanket contractual liability, premises, and personal and advertising injury coverage; and/or

(b) If applicable, a policy of errors and omissions insurance providing the same, if not greater, coverage as required under Paragraph 7(a)(i) of this Agreement.

(ii) Workers Compensation. Workers compensation insurance having limits not less those required by California statute or federal statute, if applicable, and covering all persons employed by Trainer and the conduct of Trainer's operations on the Property. This must include the all states endorsement and, if applicable, the volunteers endorsement in the amount of at least _____ Dollars (\$_____).

(iii) Personal Property Insurance. Personal property insurance covering damage to, or loss of, any equipment of Trainer and/or RDLA and coverage for the full replacement costs, and coverage for the full replacement costs of the equipment, including business interruption of Trainer and/or RDLA. If the property of Trainer's invitees is to be kept on or about the Property, the insurance should include warehouse's legal liability or bailee's customer's insurance for the full replacement costs of the property belonging to invitees and located on or about the Property.

(b) Additional Insurance. RDLA may also carry any other insurance that RDLA deems prudent or advisable, including, without limitation, liability insurance of any amounts and under any terms acceptable to RDLA.

(c) General Insurance Provisions.

(i) Insurance Companies. Insurance that is required to be maintained by Trainer will be written by a company licensed to do business in the state in which the Property is located and have any general policyholder's rating of at least A, or asset fourth in the most current issue of *Best's Insurance Guide*.

(ii) Certificates of Insurance. Trainer will deliver to RDLA, certificates of insurance for all insurance required to be maintained by Trainer under this Agreement no later than seven (7) days prior to the date Trainer commences its services on or about the Property. Trainer will, at least ten (10) days prior to the expiration of the policy, furnish RDLA with certificates of renewal. Each certificate will expressly provide that the

policies are not cancelable or otherwise subject to modification except after thirty (30) days prior written notice to the parties named as additional insureds in this Agreement. However, in the case of cancellation for non-payment of premiums, the cancellation will not take effect until at least ten (10) days notice has been given to RDLA. If Trainer fails to maintain any insurance required in this Agreement, Trainer will be liable for all losses and costs relating from that failure; RDLA will have the right, but not the obligation, to obtain insurance on behalf of Trainer, and Trainer will immediately on demand pay RDLA the premiums on the insurance; and RDLA may declare a breach of this Agreement.

(iii) Additional Insured. RDLA must be named as an additional insured under all the policies required by Section 7. of this Agreement. The policies required under Section 7(a)(i) of this Agreement must provide for severability of interest. The comprehensive general liability insurance policies shall name RDLA as an additional insured using an ISO 20101185 endorsement, or equivalent, with an attached additional insured endorsement from Trainer's insurer. Trainer shall provide ACCORD 27 certificates of said insurance policies. Trainer's delivery of said ACCORD 27 certificates and endorsements to RDLA shall be a condition precedent to the effectiveness of this Agreement.

(iv) Primary Coverage. All insurance to be maintained by Trainer shall, except for workers compensation, be primary, without right of contribution from the insurance of RDLA. Any umbrella liability policy or excess liability policy shall provide primary insurance. The limits of insurance maintained by Trainer will not limit Trainer's liability under this Agreement.

(v) Waiver of Subrogation. Trainer waives any right to recover against RDLA for damages to Trainer's property covered by insurance. This fully waives, for the benefit of RDLA, any rights and claims that may give rise to a right of subrogation in favor of any insurance carrier. The coverage obtained by Trainer pursuant to this Agreement shall include, without limitation, a waiver of subrogation endorsement attached the certificate of insurance required under this Agreement.

8. Risk of Loss. Trainer hereby assumes and shall bear the entire risk of loss and/or damage of any kind in nature--whether or not caused by the active or passive negligence of RDLA—to Trainer, the Horses, and/or any other property of RDLA, Trainer or third party, while the Horses are on or about the Property, and to hold RDLA harmless from and against the same. Likewise, Trainer assumes the risk of any loss or damage to the person or property of others caused either by the Horses or the actions of Trainer or Trainer's guests while the Horses are on or about the Property, and under Trainer's control or supervision.

9. Duty to Indemnify; Duty to Defend.

(a) Duty to Indemnify. To the fullest extent permitted by law, Trainer (the "Indemnitor") shall defend, indemnify, protect and hold harmless, RDLA and any other person or entity designated by RDLA, and the officers, directors, shareholders, members, partners, representatives, agents, attorneys, and employees of each of them (referred to herein each as an "Indemnitee" and collectively as the "Indemnitees"), from and against any and all claims, demands, causes of action, proceedings, damages, liabilities, losses, attorneys' fees, costs and

expenses (collectively referred to as “Claims”), arising out of or relating in any way to any action or inaction on the part of Indemnitor with respect to this Agreement, the Horse and/or the boarding, training and/or stabling of the Horse at the Property, regardless of whether or not such claims are caused, or were caused, in part by an Indemnitee. This indemnity shall cover Indemnitees if Indemnitees are made a party or are threatened to be made a party to any threatened, pending or completed claim, action, or proceeding. Indemnitor shall pay all reasonable expenses incurred by Indemnitee in connection with such actions or proceedings. Such obligations shall not extend to claims determined by final judgment or award to have resulted from the sole negligence or willful misconduct of an Indemnitee. Nothing contained herein shall be deemed to abridge the rights, if any, of RDLA to seek contribution from others where appropriate. The indemnity obligations of the Owner set forth in this Agreement shall survive the termination of the Agreement, and shall be binding upon Indemnitor’s heirs, successors and assigns.

(b) Duty to Defend. Trainer shall defend each Indemnitee, through counsel approved by the Indemnitee(s), in any action, proceeding or arbitration brought against any Indemnitee by reason of any such Claims.

11. Limitation of Liability.

(a) Source of Recourse. Trainer represents, warrants, and agrees that should any Claims arise out of this Agreement or RDLA’s ownership of the Business, Trainer’s first source of recourse for compensation, if any, shall be Trainer’s policies of insurance, which remedy must be exhausted before any claim may be made against RDLA, if at all, under this Agreement, whether or not RDLA is required to indemnify the Trainer for such Claims pursuant to the terms of this Agreement or any other agreement between the Parties.

(b) Limitation of Liability of RDLA. Trainer represents, warrants, and agrees that in no event shall RDLA’s liability, if any, for any and all Claims, exceed the sum of those amounts received by RDLA from Trainer, pursuant to this Agreement. In no event shall RDLA be liable for any special, incidental, consequential, exemplary, punitive or other such indirect damages (including, without limitation, loss of revenues, profits or opportunities) whether arising out of or as a result of breach of contract, warranty, tort (including negligence and strict liability) or otherwise.

(c) Liability Not Personal. Trainer represents, warrants and agrees that the obligations of RDLA under this Agreement, if any, are the sole obligation of RDLA and are not personal obligations of the individual directors, officers, shareholders, agents or employees of RDLA.

12. General Provisions.

a. Entire Agreement. This Agreement, the Rancho De Los Amigos Rules, Release of Liability, and Stabling Agreement (if applicable) and the exhibits attached hereto, represent the entire agreement between the Parties in connection with the transactions contemplated hereby and the subject matter hereof, and with the exception of the agreements mentioned above in this paragraph, this Agreement supersedes and replaces any and all prior and/or contemporaneous agreements, understandings and communications between the Parties, whether oral or written, with regard to the subject matter hereof. There are no oral or written agreements, representations or

inducements of any kind existing between the Parties relating to this transaction which are not expressly set forth herein.

b. Amendment of Agreement. This Agreement may not be amended or modified except by a written instrument signed by all the Parties.

c. Attorneys' Fees. If either Party brings any legal action arising out of any provision of this Agreement to enforce this Agreement, the prevailing party in the litigation shall be entitled to recover reasonable attorneys' fees and costs from the other party, in addition to any other relief that may be granted to such prevailing party.

d. Notices. Any notice required or permitted to be given under this Agreement shall be written, and may be given by personal delivery, by facsimile transmission or by registered or certified mail, first-class postage prepaid, return receipt requested. Notice shall be deemed given upon actual receipt in the case of personal delivery, upon receipt of facsimile transmission, or upon mailing. Mailed notices shall be addressed as follows, but each Party may change its address by written notice in accordance with this Paragraph 15(d):

To Trainer: _____

Fax #: _____

To RDLA: RDLA, Inc.
Attn: Leslie A. Hardy, President
12350 Cull Canyon Road
Castro Valley, CA 94552
Fax #: _____

e. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and any action brought to clarify or enforce the terms of this Agreement shall be brought in Alameda County, California.

f. Agreement Construction. The Parties acknowledge that this Agreement, as executed, is a product of negotiation between the Parties and that it shall be construed fairly, and in accordance with its terms, and shall not be construed for or against either Party. No inferences as to the intention of the Parties shall arise from the deletion of any language or provision of this Agreement.

g. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, that invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if the invalid, illegal or unenforceable provision was omitted and had never been part of the Agreement.

h. Counterparts. This Agreement may be executed in any number of counterparts and each such counterpart, whether by original, faxed, or scanned signature, shall be deemed to be effective the same as if an original instrument.

i. Rights and Remedies. The duties and obligations imposed by this Agreement and rights and remedies available hereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.

j. Waiver. No waiver by any Party, at any time, of any breach of any provision of this Agreement shall be deemed a waiver or a breach of any other provision herein or a consent to any subsequent breach of the same or another provision. If any action by any Party shall require the consent or approval of another Party, such consent or approval of such action on any one occasion shall not be deemed a consent to or approval of such action on any subsequent occasion or a consent to or approval of any other action.

k. Captions and Headings. The captions and the paragraph numbers appearing in this Agreement are inserted only as a matter of convenience and do not define, limit, construe or describe the scope or intent of this Agreement.

l. Time of Essence. Time is of the essence with respect to all matters contained in this Agreement.

m. No Third-Party Beneficiary Rights. This Agreement is entered into for the full benefit of Parties, and no other parties are intended to be direct or incidental beneficiaries of this Agreement. No third party shall have any right in, under or to this Agreement.

n. Incorporation of Exhibits. Each and all the exhibits attached to this Agreement, if any, are incorporated herein by reference as if set forth in full in this Agreement.

o. Binding Effect. This Agreement shall be binding upon and enure to the benefit of the Parties hereto, their respective heirs, legal representatives, administrators, successors, and assigns.

p. Assignment. No Party to this Agreement shall assign any right, benefit, liability, or obligation arising under this Agreement without the prior written consent of the other Party to this Agreement.

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q. Read and Understood. By his/her/its respective signature below, each Party acknowledges that he/she/it has read this Agreement, understands this Agreement, and agrees to be bound by its terms.

IN WITNESS WHEREOF, the Parties to this Agreement have duly executed it on the date first above written.

“TRAINER”

“RDLA”

RDLA, INC., dba Ranch de Los Amigos

By: _____

By: _____

Printed Name: _____

Leslie A. Hardy, President