

# PARTNERSHIP AND RACING AGREEMENT

## HARNESS RACING OWNER

This agreement is made on the \_\_\_ day of \_\_\_\_\_, 2008 between

\_\_\_\_\_  
("Investor") and Harness Racing Owner, a trade name of \_\_\_\_\_

**NUMBERED COMPANY ("HRO")**

for the formation of a joint venture to race Standardbred horses under the following provisions:

### 1. TERM

**1.1** This agreement shall commence upon the execution of this agreement and shall continue until any Racehorse is no longer owned by HRO, dissolved by agreement of all parties or terminated under the provisions of this agreement.

### 2. ASSETS OWNERSHIP, REVENUES, EXPENSES AND SALE PROCEEDS

**2.1** The actual title to the Racehorse and all other assets related to this agreement shall at all times remain owned entirely by HRO (Manager of this venture).

**2.2** Investors are entitled to Revenues and Sale Proceeds arising from this Racehorse and are responsible for all related Expenses, each in proportion to his or her share in each racehorse.

### 3. VALUE

**3.1** There is no lease arrangement created by this agreement. No ownership or other interest in the Revenues, Expenses, or Sale Proceeds of any other horse syndicated, owned or managed by HRO or any related entity is a part of this agreement.

### 4. MONTHLY STATEMENTS

**4.1** An accounting of the Revenues, Expenses and Sale Proceeds of any/all Racehorses shall be delivered to each Investor within forty five (45) days after each month.

**4.2** In unprofitable months, a balance will be due from the Investor to cover his or her share of expenses not covered by net earnings. This balance due is payable immediately as directed by the Manager.

**4.3** Should the Racehorse be claimed, sold, die, or otherwise no longer be owned by HRO, a final accounting shall be prepared and a statement and final bill will be sent to Investor within 45 days.

## **5. MANAGERS**

**5.1** The Managers of this joint venture is HRO who shall devote such time necessary to meet the requirements of this agreement. HRO has a demonstrated record of successfully managing racing ventures, and shall use its sole discretion and reasonable care to make any and all management decisions without any limitation. For these services, Manager shall be entitled to:

- a) Commissions on Purses 5%
- b) Commissions on Profitable Sales (5% of any sale proceeds exceeding the Syndication value) (example a horse is claimed by HRO for \$10,000 and claimed for \$15,000, the 5% is applied to the difference or \$5,000)
- c) Administrative Fee (as determined by HRO and disclosed periodically to Investors). HRO will also be reimbursed for necessary expenses incurred on behalf of Racehorse, and will include these in monthly Expenses. Manager reserves the right to revise all Agreements for this and any other Racehorse Investor is a party to, with thirty days notice sent via e-mail to Investor.

## **6. INDIVIDUAL INVESTOR**

**6.1** Investor has a fiduciary responsible to act in at all times in the best interest of the venture, including remitting required expenses to the Manager no later than 7 days after the receipt of a bill and keeping Racehorse information confidential. Investor expressly understands that this is a highly speculative investment, with no guarantee of any return whatsoever, and the possibility that losses in excess of Initial Capital may be incurred for an extended period of time.

## **7. INVOLUNTARY REMOVAL OF AN INVESTOR**

**7.1** An Investor may be removed from this and all other Racehorse Syndicates Managed by HRO for violating the terms of this agreement, specifically including non-payment or chronic late payment of any amounts due.

**7.2** When an Investor is in violation of any of the terms of this agreement, the Manager shall notify him by e-mail, and the Investor shall have 7 days to cure the violation. Should the Investor not comply, he or she shall forfeit his or her interest in this and all other ventures and lose his or her capital.

**7.3** In addition to removing the Investor, the Manager shall be entitled to seek additional relief, including legal, collection costs, and interest at the rate of 1.5% per month (18% per annum).

## **8. SALE OF INTERESTS**

**8.1** An Investor may sell his interest in this venture at any time, but the future purchaser of any Racehorse must be a member in good stand with HRO.

**8.2** The sale of an interest may be conducted via the internet section on the HRO website appropriately designated as such.

## **9. LIMITED POWER OF ATTORNEY**

**9.1** By executing this agreement, you give the Manager the limited Power of Attorney to sign on your behalf any documents necessary to conduct the normal operations of this venture.

## **10. MULTIPLE COUNTERPARTS**

**10.1** This agreement may be executed in multiple parts, each of which shall be deemed an original and together constitute one Sole agreement.

**10.2** This instrument contains the sole agreement relating to this venture. It correctly sets out the parties' rights and obligations.

**10.3** Any prior agreements, promises, negotiations, or representations not expressly set forth in this instrument have no force or effect.

***ACCEPTED AND AGREED TO:***

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**Investor's Name (please print)**

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**Investor's Signature**

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**Manager HRO**