

# Thoroughbred Associates, LLC

655 West Cherry St  
Palmyra, Pa 17078  
717-685-4488

**Horse Name**

## UbetRacing MANAGEMENT/INVESTMENT AGREEMENT

1. Thoroughbred Associates, LLC is a limited liability company established for the purpose of managing thoroughbred race horses. Thoroughbred Associates, LLC purchases horses for the purpose of thoroughbred racing. For the purpose of horse racing Thoroughbred Associates, LLC will be known as UbetRacing. For the purpose of this Agreement, Thoroughbred Associates, LLC shall be referred to as TA.
2. There are a total of 100 full shares pertaining to Horse Name. Any unpurchased shares revert back to the TA.
3. Each full (1) share equates to (1%) interest and has an initial cost of **Seventy (\$70.00)**. This pertains only to Horse Name and does not apply to any ownership interest in TA or any other limited liability company, syndicate, partnership or holding.
4. No oral promises or explanations arising from any brochure, cover letter, or otherwise, shall alter the written terms of this Agreement. Any literature and/or conversations are for explanatory purposes and to provide an overall guide as to the intentions of this Agreement.
5. There is no guaranteed return on investment (ROI) as participation in this Agreement involves a high degree of risk.
6. TA shall be the Managing Director. When so referred to in this Agreement, the Managing Director shall represent the entire management interest.
7. The Managing Director maintains sole exclusive authority to manage and maintain general oversight of any horse owned by TA, including Horse Name.
8. The Managing Director maintains sole exclusive authority for all decisions to sell any horse owned by TA, including Horse Name.
9. The Managing Director maintains sole exclusive authority on when and where to enter any horse owned by TA, including Horse Name.
10. The Managing Director maintains sole exclusive authority to make all customary and reasonable decisions required in managing the day-to-day operation of any horse owned by TA, including Horse Name.
11. The breakdown of the **\$70.00** initial cost per 1% is as follows (3 share minimum purchase equals **\$210.00**):
  - \$50** per 1% claim price
  - \$20** per 1% towards expenses, estimated at **\$20** per month.
  - Plus an additional **\$50** per subscriber, per year, for K-1 and Filings.
12. The Purchase Price of **\$5,000** includes the price paid by TA to obtain full ownership of Horse Name.
13. Expense money will be collected at a rate of approximately **\$20** per month, per 1% ownership interest. The actual amount may vary based on monthly invoices received. Subscribers will

be required to maintain an estimated 1 month "cushion", in the amount of \$20 per 1% ownership interest, per horse.

14. In the event expenses exceed the estimated amount outlined in item 11, all subscribers will be required to remit payment based on actual costs. TA may request additional expense money to hold "on account" to help expedite payments.
15. In the event Horse Name is sold, claimed, or no longer the property of TA prior to exhausting any surplus expense money, the remaining balance will be reimbursed to all subscribers Horse Name based on percentage of ownership.
16. TA shall deduct 10% of any purse money awarded to any horse including Horse Name prior to calculating purse distribution to subscribers.
17. It is the responsibility of the Managing Director to distribute all purse money based on percentage of ownership to Horse Name minus 10% as outlined in item numbers 15 and 16.
18. The limit of liability to the Managing Director shall be no greater than that of all revenue earned by, plus fair market value of Horse Name, less any distributions paid out or credited to the subscribers of Horse Name. The Managing Director shall be held harmless and indemnified for any and all claims greater than this amount.
19. In the event of the untimely death of a subscriber to this Agreement, his/her share shall revert to the Estate or the designated beneficiary of said subscriber.
20. All subscribers reserve the right to sell their share(s) at any time. Should this occur, any assignee must agree to abide by all terms of this Agreement. The selling subscriber must provide written notification to the Managing Director before making any sale. The remaining subscribers must be notified and have the exclusive right to match the price and purchase the share(s). If more than one subscriber elects this option, a 24 hour sealed bid auction shall ensue with the highest bidder awarded the right to purchase the share(s).
21. Periodically, anticipated monthly, accumulated net purse earnings, along with expenses incurred, shall be presented to the subscribers by means of a statement or invoice. Net purse earnings are defined as earned purses less the customary fees to the trainer (10%), jockey (10%), groom \$100 per win, \$25 for 2<sup>nd</sup> or 3<sup>rd</sup>, and win photographs as well as the 10% deduction withheld by TA. In most cases, jockey fees will be subtracted directly from the purse, while trainer fees will be considered an expense.
22. Any statement reflecting a negative balance requires a payment, by the subscriber, within 30 days of the statement date. TA reserves the right to liquidate all holdings of any subscriber who does not make such payment within the 30 day period. Any proceeds of the shares sold will first satisfy the negative debt prior to cash disbursement to the subscriber. In the event a subscriber defaults on payment, the remaining subscribers are responsible for all expenses based on percentage of ownership and entitled to any purse revenue also based on percentage of ownership until such time when the affected shares have been sold.
23. The subscriber shall be notified (on a best attempt basis) usually two (2) days prior, by e-mail or web site posting (www.ubetracing.com) each time the horse is scheduled (entered) to race.
24. The subscriber must be individually licensed at his or her own expense, if required.
25. Although every attempt has been made to cover all contingencies, should a situation occur not covered by this Agreement, the Managing Director maintains the sole exclusive authority to adjudicate any matter in a customary and reasonable manner.
26. This Management/Investment Agreement supersedes any previous agreements established by TA and pertaining to the horse Horse Name.

27. Any subscriber who has had his or her license revoked, or has been banned from any racetrack in The United States, will forfeit his or her rights as a subscriber and this Agreement shall be deemed null and void subject to the exiting provisions stated herein. All shares and/or percentage of ownership in his or her name shall be sold by the Managing Director. All proceeds, minus any outstanding balance, will be delivered to the subscriber in exchange for the termination of this Agreement.
28. TA reserves the right to mark up any supplier invoice to cover operating expenses and administrative costs.
29. Each subscriber will be charged approximately \$50 per year for accounting costs associated with tax filings and K-1 distribution.
30. I have completely read and understand the terms of this Management/Investment Agreement. I wish to purchase \_\_\_\_\_ share(s) in the partnership presently pertaining to: Horse Name and fully agree to abide by and comply with the terms and conditions as set forth within this Agreement.

**Initial Cost:**

**\$70.00** per share outlined below. Plus **\$50** per year, per subscriber for K-1 accounting cost.

- **\$50** per 1% **Claiming price of \$5,000**
- **\$20** per 1% towards expenses, estimated at **\$20** per month.
- Effective ownership date mm/dd/yyyy

**\$70.00** x \_\_\_\_\_ (# of shares, 3 minimum) = \_\_\_\_\_ + **\$50** (K-1 Fee) = \$ \_\_\_\_\_ Amount Due.

I enclose my check in the amount of \$ \_\_\_\_\_ or  
 apply my prepayment of \$ \_\_\_\_\_ or  
 deduct from my account \$ \_\_\_\_\_.

\_\_\_\_\_  
 Date Subscriber  
 \_\_\_\_\_  
 Date Managing Director  
 Thoroughbred Associates, LLC

Please provide the following information for our records.

FULL NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

CITY \_\_\_\_\_ STATE: \_\_\_\_\_ ZIP: \_\_\_\_\_

SSN or TIN (Mandatory): \_\_\_\_\_  
 (If partnership, list partnership's federal Tax Identification Number)

Day phone : (\_\_\_\_\_) \_\_\_\_\_

Cell: (\_\_\_\_\_) \_\_\_\_\_

Fax: (\_\_\_\_\_) \_\_\_\_\_

E-MAIL: \_\_\_\_\_