



Mojo Racing Partners
Participation Agreement
2025 Kentucky Racing Group

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Overview



OVERVIEW

Mojo Thoroughbred Holdings, LLC a.k.a. “Mojo LLC” (DBA: Mojo Racing Partners) is offering shares and accepting General Partner and Capital Partner interests for its new racing group activities. This Participation Agreement serves to outline the Terms & Conditions for participating in this new racing group, as well as provides the form to Express Intention to Participate (EI2P).

Mojo LLC is offering participation options in its 2025 Kentucky Racing Group with one (1) Runner we intend to acquire via the claiming process at either the Ellis Park, Churchill Downs, or Keeneland Race Meets and race that Runner on the Kentucky Circuit starting the Fall 2025.

There will be three participation options available: **General Partner (GP)**, **Limited Capital Partner (LCP)**, and **Full Capital Partner (FCP)**. Each level offers either an affordable point of entry and caps on the quarterly billed operating costs, or Win-Place-Show (WPS) distribution rewards for Partners who contribute the capital to acquire bloodstock, cover the quarterly operating expenses, and/or are involved in the strategic business planning for Mojo’s racing group.

Mojo LLC will utilize **Mike Puhich** to help us select the racing prospect for our 2025 Kentucky Racing Group. Mike and his Team will also be responsible for the general care, training services, and race selections/entries for the Mojo Runner(s) in our 2025 Kentucky Racing Group.

The **Term** of Mojo’s 2025 Kentucky Racing Group will be 5 months starting August 1, 2025 through December 31, 2025.

Entry Fees to participate in Mojo’s 2025 Kentucky Racing Group are due when signing up, and quarterly billing begins 4Q 2025.

The **cost basis** for each participation level is based on the general fund and quarterly operating budgets* for Mojo’s Kentucky Racing Group (through the end of the term)—mainly: \$20,000 Bloodstock Acquisition and \$12,500 Quarterly Operating Expenses. **Participation examples...**

- 1% GP share, the Entry Fee is only \$200 and \$125 per quarter (starting 4Q 2025) not to exceed \$150 per quarter.
- 5% LCP shares, the Entry Fee is 5% of the Bloodstock Acquisition cost and 5% of the quarterly Operating Expenses.
- 10% FCP shares, the Entry Fee is 10% of the Bloodstock Acquisition cost and 10% of the quarterly Operating Expenses.

*The quarterly budget is determined by the estimated average operating costs for each quarter. Estimated quarterly costs may increase or decrease based on the necessary care provided for the racehorse(s).

Revenues generated by the racehorse(s) included Mojo’s Kentucky Racing Group will be allocated to offset future operating expenses, reserves, and net revenue payouts to Partners (at the end of the term) in that order.

Mojo Racing Partners has been offering fun and affordable racehorse ownership opportunities for over 17 years. The combined average track record for our Mojo Runners during the 17+ years is 50% Win, Place, Show. We’ve had multiple stakes runners, a \$100,000 stakes winner, and a stakes-placed runner.

Mojo Racing Partners has raced at Arapahoe Park, Arlington Park, Churchill Downs, Delta Downs, Evangeline Downs, Indiana Downs, Keeneland, Kentucky Downs, Ellis Park, Lone Star Park, Oaklawn Park, Prairie Meadows, Remington Park, Sam Houston Park, Turfway Park, and Zia Park.



Please Note:

- *Horse racing is an extremely unpredictable sport; racehorse ownership involves high risks and ongoing expenses; and there are no (zero) guarantees for any return on invested capital.*
- *The racehorse(s) included in this group will only be claiming runners. This means the racehorse(s) for this group will be acquired via a claiming race, and the racehorse(s) we claim will likely be entered to run in claiming races.*
- *Because the purse money on the Kentucky Racing Circuit is the best in the country (at all five racetracks: Churchill Downs, Keeneland, Kentucky Downs, Ellis Park, and Turfway Park), there are a lot of owners (in general) interested in claiming racehorses. As such, acquiring horses via the claiming process may not happen immediately and, once acquired, the horse(s) in this group may be claimed the next time the Mojo Runner races.*
- *Based on the performance of the racehorse(s) in this group and/or additional capital provided by the FCPs to the general fund, an additional racehorse may be added to this group; however, the number of racehorses in the group will not exceed two Mojo Runners unless Mojo LLC partners with another racing entity or entities.*
- *Mojo LLC may partner with other racing entities in order to acquire better bloodstock and/or increase the number of racehorses for the group without substantially increasing the overall costs to the Mojo Partners.*
- *This racing group will not include horses from Mojo's broodmare operations nor horses purchased at any bloodstock sales.*



Expressed Intention to Participate (EI2P) Document



EXPRESSED INTENTION TO PARTICIPATE

Thank you for your interest in participating in the **Mojo Racing Partners 2025 Kentucky Racing Group!**

Please complete the “Expressed Intention to Participate” (EI2P) document and return it along with your Entry Fee to Mojo Racing Partners (at the designated address).

Instructions:

1. Checkmark the Understanding.
2. Select your Participation Level.
3. Calculate your Entry Fee.
4. Indicate your Payment Option for the Entry Fee.
5. Fill out the Partner of Record information.

Once your participation is confirmed by Mojo LLC, you will be billed separately (based on your vested %) for the quarterly expenses starting the 4th Quarter 2025.

Understanding:

By completing and returning the EI2P document along with your Entry Fee, you acknowledge and agree to the Terms & Conditions for participating in this Mojo racing group. Your signed, dated, and returned copy will be kept on file until this partnership is closed, and all payments will be deposited in the bank utilized by Mojo Racing Partners.

[] I understand the Terms & Conditions of participating in **Mojo’s 2025 Kentucky Racing Group**, and I acknowledge that I am able to uphold the corresponding vested Partner interest responsibilities throughout the commitment period of the term.

Participation Level:

- [] General Partner (GP): _____ % (1% - 4% vested interest)
- [] Limited Capital Partner (LCP): _____ % (5% - 9% interest)
- [] Full Capital Partner (FCP): _____ % (10% - 20% interest)

Entry Fee Calculation:

GP = \$200 (only)

LCP: Vested % _____ x \$20,000 = _____

FCP: Vested % _____ x \$20,000 = _____

Entry Fee Payment Options:

Mojo accepts cash, checks, and Venmo payments (from existing Partners), and certified checks from new Partners to pay the Entry Fee.

- [] Venmo (existing Mojo Partners only)
- [] Personal Check made payable to “Mojo Racing Partners”
- [] Certified Check made payable to “Mojo Racing Partners”

Note: A Certified Check is only required if the person has not previously participated in a Mojo Group.



Partner of Record, Mojo's 2024 Kentucky Racing Group:

(Signature of the Partner of Record)

(Print Partner of Record Name)

(Date)

(Mailing Address – Street)

(City, State, and Zip)

(Mobile Phone Number – so you can be promptly notified of Mojo activities)

(e-mail address – the delivery channel for detailed partnership information and updates)

(SSN – for tax purposes only and will remain confidential)

Mail (or e-mail a pdf copy) the completed/signed EI2P document and your Entry Fee payment to:

Mojo Racing Partners
10417 Stoneside Trail
Fort Worth, Texas 76244

c/o Mojo's Managing Partner: Fred Taylor, Jr. fred.taylor2@verizon.net

Note: Mojo, LLC will send you (via e-mail) confirmation that your EI2P document and Entry Fee have been received, and the status of your expressed interest in participation.



Terms & Conditions



TERMS & CONDITIONS

Understanding:

The intent of Mojo LLC is to offer General Partner and Capital Partner leasehold interests in a horse racing group with the goals of providing fun and affordable Thoroughbred racehorse ownership opportunities for a fraction of the outright costs.

- You have read, asked questions (if necessary), and understand the corresponding details in this document for participating in this racing group.
- You agree to the conditions for the Term, Management, Partner Interests Available, Participation Costs, WPS Rewards, General Fund, Bloodstock Acquisition, Expenses and Reserves, Revenues, and Payouts.
- You have completed, signed, and returned your EI2P document.
- You agree to pay your respective Entry Fee and quarterly billing during the commitment period of the term of this racing group.

Term:

The designated commitment period for participating in **Mojo's 2025 Kentucky Racing Group** begins on August 1, 2025, and ends on December 31, 2025.

The term of this agreement will be automatically renewed on January 1, 2025, and will continue as long as there are existing Runners allocated to this racing group with the intent to continue racing.

All Partners are expected to fulfill 100% of their responsibilities during the commitment period term. If the term for the racing group automatically renews, Partners are not required to continue; however, if any Partner withdraws at any point during the automatic renewal period, they are no longer eligible to receive any distributions, net revenues, or any benefits received and/or paid from the point they withdraw.

Should an unexpected personal hardship occur during the commitment period of the term, a Partner may request to withdraw from this racing group; but that withdrawal has to be submitted in writing to and approved by the Managing Partner (MP).

If a Partner withdraws during the commitment period of term for this racing group, then that Partner is expected to pay their vested percentage of the budgeted operating expenses for the current and following quarter; there will be no refund of any contributions paid; and the Partner will forfeit all rights, distributions, and benefits related to this group for the current and future quarters.

If a Partner withdraws, then expresses the desire to "re-join" this racing group, eligibility to rejoin will be contingent upon interests available; an evaluation of the person's standing at the time he/she withdrew from the group previously; and/or the ability to uphold all of the conditions associated with the vested interests for the term.

Management:

The **Managing Partner (MP)** owns a % interest in the partnership and is responsible for the day-to-day management of the racing group. The MP establishes the business objectives and structure for the racing group, funding sources, and makes final decisions on behalf of the racing group. The MP selects the Trainer for the racing group and works directly with the Trainer to make decisions about selecting the bloodstock, how the racehorses are prepared, and evaluates the racing options for the runners in the racing group. The MP manages the communication between the Trainer and the racing group. The MP prepares/finalizes the annual and quarterly budgets for the racing group, pays the bills for the racing group, and issues the Partners' quarterly billing. The MP arranges the administrative services for the racing group and coordinates the activities and events for the Partners.



Partner Interests Available:

In order to accommodate a variety of participation desires and meet the business needs, different vesting interests (shares), entry fees, rewards, and distributions are being offered based on a Partner's financial commitment to the partnership. Participation in this group will remain available/offered as long as vesting interests exist.

The following vested participation interests being offered in **Mojo's 2025 Kentucky Racing Group...**

- **General Partner (GP) Interests** = 1% to 4% vested shares. The GP Entry Fee is \$200, and GPs are expected to pay their vested % of the quarterly operating expenses (not to exceed \$150 per quarter) until the end of the term. GPs are not eligible for WPS Rewards, but GPs will be provided Net Revenue Distributions if realized at the end of the term.
- **Limited Capital Partner (LCP) Interests** = 5% to 9% vested shares. The Entry Fee for LCPs is their vested % of the bloodstock acquisition costs, and LCPs are expected to pay their vested % of the quarterly operating expenses until the end of the term. LCPs may have to contribute additional funds (based on their vested %) for any Capital Partner shares that have been forfeited – this would be in addition to their vested % of the operating expenses until the end of the term or forfeited shares are filled. Based on their level of commitment and responsibilities to the racing entity, LCPs are eligible to receive ½ % (0.005) Rewards on purse revenues earned for Win, Place, and Show (WPS) results. LCPs are not eligible to participate in Mojo's strategic planning activities for the racing group's business plans.
- **Full Capital Partner (FCP) Interests** = 10% to 20% vested shares. The Entry Fee for FCPs is their vested % of the bloodstock acquisition costs, and FCPs are expected to pay their vested % of the quarterly expenses to operate the racing group. FCPs may be required to assume and share equally any unsold interests and forfeited shares throughout the term of the racing group. Based on their level of commitment and responsibilities to the racing entity, FCPs are eligible to receive 1% (0.01) WPS Rewards based on purse revenues earned. FCPs participate in Mojo's strategic planning activities led by the MP in order to establish the business objectives and funding sources for the racing group. Anyone who has not previously participated in a Mojo Group (and/or withdrew based on personal hardship) who would like to participate as a FCP will have to demonstrate their ability to uphold their vested percentage of the financial obligation as long as the racing group exists.

All available participation interests are set for the entire commitment period in order to meet the operating costs during the term and are considered "on going" at the agreed to percentage as long as horses included in this group continue to be eligible for racing purposes.

- Controlling interests greater than the sum of the Capital Partners vested interests are not allowed.
- Partners can increase their vested percentage so long as shares are available.
- Partners can decrease their vested percentage so long as they request to do so before the budget is set for bloodstock acquisition, expenses, and reserves.
- Multiple people can share a partnership interest in this racing group, however, only one person will be considered the "Partner of Record" for billing, accounting, and tax purposes, as well as rewards and payouts.
- Mojo LLC (the entity) or its designee(s) reserves the right to all of the unsold and/or forfeited share % offered, but Mojo LLC may allocate the respective costs and percentages of any/all unsold and/or forfeited share % to the Capital Partners (as noted above).

Mojo LLC may offer "racing club" type of participation opportunities if all the vested shares are sold in this racing group.



Participation Costs:

The cost basis for each Partner is based on the anticipated bloodstock acquisition and estimated quarterly operating budgets for the racing group. The respective costs to participate in **Mojo's 2025 Kentucky Racing Group** are as follows...

- **Entry Fee for GPs:** \$200 (only). Entry Fees are not refundable.
- **Entry Fee for LCPs and FCPs:** Vested % of the Bloodstock Fund. Entry Fees are not refundable.
- **Bloodstock Acquisition Fund** (initial): \$20,000
- **Quarterly Operating Expenses** (for one racehorse): \$12,500 p/ Quarter

Note: These costs are estimates and subject to change based on the number of horses in the racing group and the care the racehorse(s) require. Operating Expenses are billed quarterly based on each Partner's vested percentage starting the 4th Quarter (October, November, and December) 2025.

Win/Place/Show (WPS) Rewards:

In conjunction with the quarterly billing practices, each Capital Partner receives WPS Rewards based on their vested % when the horses in the racing group finish first (Win), second (Place), or third (Show). The WPS Rewards come directly from the purse earned by the horses in the racing group.

The Capital Partners receive WPS Rewards as an incentive for assuming more risk and responsibility since they put forward the majority of the "up front" investment in the bloodstock and they assume their % of any additional operating costs because of vacated interests.

WPS Rewards for **Mojo's 2025 Kentucky Racing Group** are based on set vested Capital Partner percentages: LCPs = ½ % (0.005) distribution and FCPs = 1% (0.01) distribution. WPS Rewards are, first, applied (a "credit" is issued) to the LCP's and FCP's next quarterly billing (based on their WPS Rewards distribution %). If there are any WPS Rewards greater than the next quarterly billing amount, then those residual WPS Rewards allocated based on the MP's designation to the group's reserves until reserves are filled. If the group's reserves are satisfied, then any residual WPS Rewards will be paid directly to the Capital Partners (based on their vested % of the WPS Rewards earned) at the end of the term for the racing group.

Only Capital Partners in good standing who have not wrongfully caused dissolution and/or who have not dissociated with Mojo Racing Partners will be eligible for WPS Rewards.

General Partners, Third-Party Entities (partnering with Mojo), and Racing Club Members are not eligible for WPS Rewards.

General Fund:

Expected contributions from all Partners and revenues generated by the racehorses are the primary funding sources for this racing group.

The MP in consultation with the FCPs develops the funding strategies during the term (typically planned in July prior to the corresponding calendar year) to cover the estimated expenses of operation.

The operating budgets are based on the number of horses to be included in the racing group and all of the estimated expenses associated with the racing group for the corresponding term.

The estimated quarterly operating budget is intended to help all Partners evaluate/manage their personal financial plans allocated to their Mojo Racing interests for the term. It's important for all Partners to realize the budget is an estimate and not a guaranteed/set amount as the costs can increase and/or decrease based on the productivity of the horses in the racing group.



The initial participation costs for this racing group are noted in this document and they may be posted on the Mojo website, posted via the Mojo social media channels, included in all external advertisements, and/or other related communication sources.

Mojo LLC may enter this racing group into a partnership with other racing entities so long as Mojo retains majority interest (by %) in the partnership, the horses race under Mojo colors (unless otherwise agreed), all parties register and comply with the Horesracing Integrity and Safety Authority (HISA), and/or Mojo designates the Trainer. The objectives to partner with other racing entities would be to acquire better bloodstock and/or increase the number of runners for the group without substantially increasing the overall costs to the Mojo Partners.

If Mojo LLC enters this racing group into a partnership with another racing entity, the racing group's budget will be reset based on Mojo's vested interest (%) of the partnership and not the total amount to manage the horses between the entities.

If Mojo forms a racing club, the respective revenues received from racing club memberships would be utilized to, first, offset this racing group's administrative expenses; second, offset this racing group's operating expenses and reserves; and, third, to be shared with the Capital Partners.

Bloodstock Acquisition:

In consultation with the FCPs, the MP will ultimately decide the number of horses to be included in the racing group. Mojo LLC intends to seek bloodstock that will maximize state-bred incentives.

The number of horses in **Mojo's 2025 Kentucky Racing Group** will start at one (1); however, the total number may change (increase) depending on the racing interests of the FCPs, the health/racing status of the horses included in this group at any given time, and any partnerships Mojo LLC enters with other racing entities.

The horses included in this racing group will be acquired by claiming activities.

If a Mojo Runner is claimed during the term, the claim proceeds will be utilized to claim another horse to continue the racing activities for the group during the term.

If vacancies occur in the bloodstock lineup during the term because one of the racehorses are sold and/or retired, then that vacancy may be backfilled by claiming another horse based on the racing plans of the FCPs.

The budget for Bloodstock Acquisition will be set by the MP. The total amount allocated to the bloodstock is separate from the operating expenses.

The Managing Partner will communicate the number of horses to be designated in the racing group with all Partners once a final decision has been made.

Mojo's Trainer will provide bloodstock evaluation and claim recommendations, as well as serves as Mojo's authorized agent for claiming activities.

Expenses and Reserves:

There are estimated costs and reserves that apply to this racing group.

- **Operating Expenses** are defined as: Training, vet care, farm layup, farrier services, bloodstock transportation (*i.e.*, "shipping"), and/or any quarterly budget shortages. These expenses are subject to change based local market conditions and the number or runners in the group.



- **Other Expenses** may be incurred during the term and have to be added to the quarterly billing (as a “one-time” charge) based on unforeseen (not predictable) costs for issues such as: Medical and/or surgery expenses to treat any of the horses in the group that become ill or injured, as well as trainer commissions, jockey commissions, WPS Rewards, Mojo LLC commissions, and unexpected service charges.
- **Operating Reserves** are defined as: Funds set aside by the FCPs to cover unforeseen expenses and/or Capital Partner interests that have been forfeited.
- **Bloodstock Reserves** are defined as: Funds set aside by the FCPs to cover the cost of acquiring racehorses for the group.
- **General Administrative Expenses** are defined as and include (but not necessarily limited to) a cash reserve, photography, sale/stakes nominations, sale/race entry fees, stable licensing, liability insurance, accounting services, tax prep/filing services, standard office supplies/equipment, website services/security, and advertising/promotions. Typically, the MP and FCPs determine if a “lump sum” amount will (or will not) be included in the budget to cover General Administrative Expenses.

Mojo LLC does not carry nor charge for overhead (*i.e.*, salaries, benefits, office space, or luxury packages/services). In exchange for organizing and managing all business activities and responsibilities, Mojo LLC receives a 5% distribution directly from any purse money earned and/or proceeds received from claiming or sale activities.

Each Partner will also be responsible for their costs associated with his or her own Personal Expenses (including family members and friends) for owner licenses, industry association memberships, and/or travel/entertainment (*e.g.*, tickets and admission for racing activities, transportation, lodging, party accommodations, food and beverage, etc).

Contributions and Revenues:

The primary funding sources for this racing group are...

- **Bloodstock Acquisition Contributions:** This is the base amount each Capital Partner will be expected to pay according to their vested percentage to acquire horses for the racing group (if existing funds are not available). This is a “one-time” charge (separate from the quarterly billing). It may or may not be called upon during the term – *i.e.*, it is contingent upon the racing intentions of the FCPs and the amount Mojo plans to spend to acquire a horse or horses.
- **Quarterly Billing Contributions:** This is the estimated amount to be billed every three months for each Partner’s respective vested interest percentage of the budgeted Operating Expenses per quarter plus any Other Expenses (unbudgeted) incurred during a quarter. A Partner can choose to pay (in advance) their respective quarterly percentage of the Operating Expenses bi-annually or annually. Monthly billing is not an option. Bloodstock Acquisition contributions are not included in the quarterly billing—these charges are billed separately. (Noted above.)
- **Purse Revenue Earned and Claim Proceeds:** Racehorses generate revenues based on a set % of the purse offered for a race (outlined in the conditions for each race) in accordance with their order of finish. Racehorses also generate revenue if they are acquired (purchased at set prices from the racing entity) in certain types of claiming races (also outlined if applicable in the conditions for each race). The revenues the horses earn are paid to the designated owner by the Bookkeeper for each racetrack. If a horse is owned by a racing partnership or conglomerate, then the track Bookkeeper pays a “lump sum” check to the MP for the racing group minus any track charges (*e.g.*, fees, jockey services, photos, etc), and it’s the responsibility of the MP to allocate the earned revenues received to the respective partners based on their vested % for each racing entity.
- **Sale Proceeds:** Mojo may also receive revenues if any of the horses from the racing group are sold at a public auction or privately.



Payouts:

All revenues that **Mojo's 2025 Kentucky Racing Group** receives from racing and sale activities are first applied to the billed expenses for the next quarter.

The MP (in consultation with the FCPs) may also hold some/all racing revenues in reserve to offset future Operating Expenses and Bloodstock Acquisition.

Depending on the amount of residual revenues available and/or accumulated throughout the term, a Net Revenue Distribution will be issued (after all expenses are settled) to all Partners based on their vested % at the end of the term.

