



Mojo Racing Partners – Group Participation Document

Mojo Thoroughbred Holdings, LLC a.k.a. “Mojo LLC” (DBA: Mojo Racing Partners) is accepting Capital Partners and General Partners for its racing group activities. This document serves as your expressed interest to participate in this racing group.

TERMS & CONDITIONS TO PARTICIPATE:

I. Understanding

The intent of Mojo LLC is to offer Capital Partner and General Partner leasehold interests in a multi-horse racing group in order to provide fun, affordable, and rewarding opportunities to participate in Thoroughbred racehorse ownership.

You have read, understand, and asked questions (if necessary) about the following Terms & Conditions for participating in this racing group.

You agree to the conditions for the Term, Interests Available, General Fund, Bloodstock Acquisition, Operating and Other Expenses, and Distributions as spelled out below; you completed the Participation Agreement; and you agree to pay the respective Entry Fee and Contributions.

II. Term

The calendar year for participating in this Mojo racing group begins on January 1 and ends on December 31.

The term of this agreement will be automatically renewed on January 1 with the intent to continue racing the horses included in this group.

Should an unexpected personal hardship occur during the calendar year, 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.

If a Partner withdraws, then that Partner is expected to pay their vested percentage of the existing quarter’s costs and next quarter’s costs; there will be no refund of any contributions paid; and the Partner will forfeit all current and future distributions, rights, and benefits related to this group.

If a Partner expresses the desire to “re-join” this racing group, that will be contingent upon interests available; an evaluation of the person’s standing at the time he/she withdrew from the group previously; consideration by the Capital Partners; and/or the ability to uphold all of the terms & conditions associated with the vested interests during the calendar year.

III. Interests Available

In order to accommodate different participation interests, versatile vesting percentages and payment options are being offered for Capital Partners and General Partners.

Participation in this group will be available/offered as long as vesting interests exist.

Mojo LLC (the entity) or its designees retains the right to all of the unsold and/or forfeited shares offered, as well as the respective costs associated with each of these shares.

Vested interests available are offered as follows...

Capital Partner Interests = 5% to 15% of the fair market values of the bloodstock + annual expenses to operate the racing group. Based on their level of commitment, Capital Partners are eligible to receive ROIC Distributions based on Win, Place, and Show racing results.

General Partner Interests = 1% to 4% of the fair market value of the bloodstock + annual expenses to operate the racing group. General Partners are not eligible for ROIC Distributions.

All confirmed participation interests are set annually for budgeting purposes and considered “on going” at the agreed to percentage as long as horses are included in this group for racing purposes and the Partner(s) remains in good standing.

Partners can increase their vested percentage so long as interests are available. Partners can decrease their vested percentage so long as they request to do so before the annual budget is set for the following year.

Multiple people can share a partnership interest in this racing group, however, only one person will be considered the “Partner of Record” for business decisions, accounting, tax, and distributions purposes.

Controlling interests will not be offered/allowed.

Any person who is a “first-time” participant, will be evaluated based on their ability to uphold their vested interests before being considered/accepted as a Partner. And, their ability to uphold their vested interests will be evaluated throughout the corresponding calendar year.

Mojo LLC may offer “racing club” type of participation opportunities in the future for people who are unable to commit to the annual responsibilities to be Partners in this racing group.

IV. General Fund

An annual operating budget for this racing group is typically established in July (prior to the corresponding calendar year) based on the number of horses to be included in the racing group and all of the estimated operating expenses associated with the racing group for the corresponding calendar year.

The annual operating budget includes the combined total for Bloodstock Acquisition, Operating Expenses, and General Administrative Expenses.

The annual operating budget is intended to help all Partners evaluate/manage their personal financial plans that will be allocated to their total Mojo Racing interests for the upcoming year. The annual operating budget is prepared by the Managing Partner; it will be reviewed and approved by the Capital Partners; and it will be shared with the General Partners.

To support all of the estimated costs associated with the annual operating budget for this racing group during a calendar year, there are three types of capital contributions required from the Partners that go into the General Fund: **Entry Fee**, **Quarterly Billing**, and **Bloodstock Acquisition**.

The **Entry Fee** is a “one-time” charge when joining this Mojo Racing group. The Entry Fee is based on the established fair market value of the bloodstock included in the group. The Entry Fee is expected to be paid at the time the Participation Agreement is submitted (unless flexible payment incentives are offered) and it is not refundable. The specific Entry Fee for the calendar year and payment deadline will be shared by the Managing Partner to the Partners, and it 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.

Quarterly Billing [the set amount charged every three months] for each Partner’s respective vested interest percentage of the total annual (budgeted) Operating Expenses plus any Other Expenses (unbudgeted) incurred during a quarter. A Partner can also choose to pay their respective quarterly percentage of the Operating Expenses bi-annually or annually. Monthly billing is not an option. Bloodstock Acquisition is not included in the Quarterly Billing.

Each Partner will be expected to pay their vested percentage of the **Bloodstock Acquisition** if any new horses are added to the racing lineup (and existing funds are not available). This is a “one-time” charge that’s included in the annual operating budget; it may or may not be called upon during the corresponding calendar year; and it is contingent upon the need to fill vacancies in the lineup of the Runners included in this Mojo Racing Group and the racing plans of the Capital Partners.

If a racing club is formed, the respective costs and revenues from racing club memberships would be factored into this group’s administrative expenses.

V. Bloodstock Acquisition

In consultation with the Capital Partners, the Managing Partner will decide the number of horses to be included in the racing group.

The target number of horses in this racing group is three (3); however, that number may change (less or more) depending on the racing interests of the Capital Partners and the health/racing status of the horses included in this group at any given time.

The horses included in this racing group may come from various acquisition sources: Thoroughbred sales, claiming activities, and/or Mojo LLC's breeding activities. The focus of the bloodstock acquisition is contingent upon state bred incentives and Mojo's LLC's racing objectives.

Mojo's Trainer also serves to provide bloodstock evaluation and recommendations.

The budget for bloodstock acquisition will be set by the Capital Partners and is typically determined by the end of July (prior to the corresponding calendar year). The total amount bloodstock acquisition is included in the overall annual operating budget.

If vacancies occur in the bloodstock lineup for this racing group because the Runners are either claimed, sold, and/or retired, then those vacancies may be backfilled via any of the aforementioned acquisition sources based on the racing plans of the Capital Partners.

VI. Operating Expenses and Other Expenses

The **Operating Expenses** for the annual budget are *estimated* "ongoing charges" based on all of the horses included in this racing group. The typical/standard Operating Expenses are defined as: Training, vet care, farm layup, farrier services, bloodstock transportation (*i.e.*, "shipping"), and/or any quarterly budget shortages.

General administrative expenses (*e.g.*, a cash reserve, photography, sale/stakes nominations, sale/race entry fees, stable licensing, liability insurance, accounting services, tax filing services, standard office supplies/equipment, website services/security, and advertising/promotions) are also included in the Operating Expenses for the annual budgeting purposes.

There are also **Other Expenses** that may be incurred during the year 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 seriously ill or injured, as well as trainer commissions, jockey commissions, Mojo LLC commissions, and Capital Partner ROIC Distributions based on racing performance and the respective purses offered.

Each Partner will also be responsible for the 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).

VII. Distributions

All Partners (Capital Partners and General Partners) will receive an annual **Net Revenue Distribution** from Mojo Racing Partner's portion of the net revenues earned at the end of the corresponding calendar year. This annual distribution is based on based each Partner's respective vested percentage. Depending on the revenues received during a respective race meet and/or throughout the year, the Managing Partner (based on consultation/agreement with the Capital Partners) may issue Net Revenue Distributions at other times of the year.

Capital Partners also receive a **ROIC Distribution** if any horse in the group finishes first, second, or third. The Capital Partners are provided this additional distribution because they put forward the majority of the "up front" investment in the bloodstock, and as such, they receive an ROIC Distribution of the purse earned according to the following vested percentage: 10% = 0.0075, 7.5% = 0.0056, and 5% = 0.00375

Mojo LLC receives a 5% distribution from any purse money won and/or proceeds received from claiming or sale activities for managing the group's racing and administrative activities.

Only Partners in good standing who have not wrongfully caused dissolution and/or who have not dissociated with Mojo Racing Partners will be eligible for distributions. If a racing club is created, the members of the club are not eligible for any distributions.

PARTICIPATION AGREEMENT:

Participation Instructions:

In order to participate in this Mojo Racing Partners Group, each Partner must complete the following items:

1. Place your initial next to each of the seven sections (I.-VII.) above.
2. Select your Participation Level and Agreement.
3. Indicate your Payment Method. Checks should be made out to: Mojo Racing Partners
4. Fill out the Partner of Record information that follows.
5. Mail (or send an e-mail pdf) the completed/signed Participation Document and your payment to the following address:

Mojo Thoroughbred Holdings, LLC
10417 Stoneside Trail
Fort Worth, Texas 76244

Your signed, dated, and returned copy will be kept on file for an indefinite period of time, and your payment will be deposited in the bank utilized by Mojo Thoroughbred Holdings, LLC.

Participation Level and Agreement:

Capital Partner: _____ %

General Partner: _____ %

I understand the Terms & Conditions of participating in this Mojo Racing Group, and I am able to uphold the corresponding ownership responsibilities throughout the respective calendar year.

Payment Methods:

Mojo Thoroughbred Holdings, LLC accepts cash and certified check.

Cash \$ _____

Certified Check (made payable to Mojo Racing Partners) \$ _____

Note: A Certified Check is required if the person has not previously participated in a Mojo Group and/or was in good standing at the time their participation status changed.

Partner of Record:

(Signature)

(Print Participant Name)

(Date)

(Mailing Address - Street)

(Mailing Address - Office, Suite, Apartment #)

(City, State, and Zip)

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

(Alternate Telephone Number - home and/or office)

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

(SSN - for tax purposes **only** and will remain confidential)

Mojo Thoroughbred Holdings, LLC will send you (via e-mail) a confirmation that your Participation Document and payment have been received.

Thank you for participating in our Mojo Racing Partners Group!