

# MAGDALENA RACING CONTRACT FOR SALE OF INTEREST

Magdalena Racing (Seller) and \_\_\_\_\_(Buyer) hereby agree that for the payment of the purchase price of \$\_\_\_\_\_the Seller will convey an undivided interest, equal to \_\_\_\_\_% Ownership Share (Percentage), in \_\_\_\_\_ (Horse).

Seller declares such Percentage in Horse is free from all liens and encumbrances. The Buyer shall pay their percentage of all expenses. Buyer shall receive and be responsible for all rights, benefits, responsibilities and obligations of ownership effective on the date of purchase. Seller and Buyer expressly acknowledge that this conveyance creates a co-ownership in the Horse.

Magdalena Racing, is hereby designated as Managing Owner of the Horse and shall be primary designee and have sole and exclusive control of all administrative and management decisions, including, but not limited to boarding, training, racing, upkeep, sale of the Horse in its entirety, post-racing and breeding matters, maintenance and display of all trophies, plaques and/or other ceremonial awards. Managing Owner will invoice all expenses monthly to all Co-owners.

All purses and monetary awards earned by the Horse shall be income to the co- owners and after necessary deductions, shall be distributed to the Co-Owners based on Ownership Share percentages within a reasonable time. An independent accountant will issue Co-Owners 1099-MISC for amounts distributed and each Co-Owner will provide a W-9 prior to receiving distributions.

This agreement will terminate upon any one of the following: sale of the Horse in its entirety; death of the Horse; non-payment of the Co-Owner's share of expenses related to the Horse for a term of ninety days, at the expiration of which all of the non-paying Co-Owner's shares shall revert to the Managing Owner. Time is of the essence.

The Buyer may not convey, transfer or sell this Ownership Percentage without prior approval of the Managing Owner.

Buyer acknowledges horse was sound and free of any known injuries at time initially purchased by Magdalena Racing and holds Magdalena Racing harmless for any injuries and/or conditions that develop from time of initial purchase. Buyer may have independent veterinarian inspect the horse prior to purchasing at Buyer's expense.

Buyer must hold or acquire a valid National Racing License within ten (10) days of purchasing interest.

Buyer must be willing to allow Magdalena Racing to conduct a credit check.

This Contract shall be governed by Kentucky law.

The parties agree to engage a certified mediator to resolve any dispute that they cannot resolve, and said mediator will conduct a mediation in Kentucky at a time reasonably agreeable, and at equally shared expense of both parties.

Seller, Magdalena Racing, a division of McPeek Racing (Kenneth McPeek)

Print \_\_\_\_\_ Sign \_\_\_\_\_ Date \_\_\_\_\_

Buyer

Print \_\_\_\_\_ Sign \_\_\_\_\_ Date \_\_\_\_\_

Please email to [office@mcpeekracing.com](mailto:office@mcpeekracing.com) or fax (859) 313-5166 and we will forward wire transfer information. OR send completed form with payment to Magdalena Racing, 2651 Russell Cave Rd., Lexington, Ky 40511.