

LITTLE DREAMS RACING LITTLE DANIELLA GENERAL PARTNERSHIP AGREEMENT

This is the LITTLE DREAMS RACING LITTLE DANIELLA GENERAL PARTNERSHIP AGREEMENT ("Agreement") and is executed as of the ___ day of _____, 2013, by and among the parties subscribing hereto and all Partners subsequently admitted to the Little Dreams Racing LITTLE DANIELLA General Partnership (the "Partnership"). The parties hereto form the Partnership and provide that this Agreement and the Accounting Policies attached hereto and made part of this Agreement shall constitute the sole documents governing the Partnership.

I. GENERAL

A. Name.

The name of the Partnership is the Little Dreams Racing LITTLE DANIELLA General Partnership.

B. Business Purpose.

The Partnership's purpose is to train and race the Thoroughbred Filly LITTLE DANIELLA (2011) by Mr.SEKIGUCCHI out of WELLINGTONS CHOICE (hereafter individually, the "Horse") and, at the end of the racing career of the Horse or when otherwise deemed advisable by the Manager, to sell the Horse. The business and purpose of the Partnership may not be substantially changed without the written approval of all of the Partners.

C. Term.

The Partnership shall commence on the date of this Agreement and shall continue until the earlier to occur of (i) December 31, 2019 or such other date as Manager shall determine, (ii) the date on which the last Horse is sold by the Partnership, or (iii) an event causing dissolution of the Partnership as otherwise provided in this Agreement. Upon expiration of the term of the Partnership, the Partnership shall be dissolved in accordance with Provision VII.

D. Management Authority.

The Manager shall have responsibility for the management of the Partnership and the conduct of its business operations. All significant decisions of the Partnership, including, for example, decisions regarding racing and/or sale of all or part of the Partnership's sole assets, the Horses, shall be determined by Manager. Except as expressly authorized in this Agreement, no Partner shall have the authority to act for or bind the Partnership.

E. Manager.

The Partners may at any time and from time to time by a vote of eighty-one percent (81%) in Interest designate a Manager for the Partnership ("Manager"). Little Dreams, LLC is hereby designated as the initial Manager. Any Manager may withdraw upon sixty (60) days prior written notice to the Partnership.

F. Principal Office.

The principal office of the Partnership shall be at 6387 NW 72nd Place, Parkland, Florida 33067, or at such other place as the Manager may from time to time determine.

II. ACCOUNTING

The accounting for the Partnership shall be conducted according to the Accounting Policies attached hereto as Exhibit "B" and agreed to and acknowledged by the signature of each Partner to this Agreement, which Policies are hereby incorporated and made part of this Agreement.

III. PARTNERSHIP PROPERTY

A. General, Cash and Tangible Personality.

Partnership property shall be held in the name of the Partnership. All funds of the Partnership shall be kept in bank accounts, as the Manager may determine, in the Partnership's name. All tangible personal property of the Partnership shall be kept at such place as the Manager may from time to time determine.

IV. MANAGER; OPERATIONS

A. Conduct of Business.

Except as otherwise provided under the terms of this Agreement, the daily business of the Partnership shall be conducted in the name of the Partnership by the Manager on behalf of the Partners. The Manager shall also have the authority and power on behalf of the partnership to: (a) open, maintain and close bank accounts; (b) sign checks; (c) to select races and qualify the Horses to race and designate the representative partners to be listed as owners; (d) to solicit and accept offers for purchase of all, or any portion of the Horse or enter into any contract for syndication or management of all, or any portion of the Horse; and (e) generally to act for the Partnership in all matters incidental to the foregoing and to the day-to-day operations of the Partnership. Without the prior written approval of a majority in voting Interest of the Partners neither the Manager nor any Partner shall: (a) borrow money on behalf of the Partnership; (b) lend money on behalf of the Partnership; or (c) enter into any contract in the name of the Partnership for the purchase of goods or services (other than for the acquisition of the Horse) if the payment required from Partnership funds exceeds \$25,000.

B. Management Fee.

Manager shall receive no compensation for its services as Manager subsequent to the date of this Agreement. Provided, however, that the Partners acknowledge that Manager has retained an undivided twenty percent (20%) interest in the Partnership in consideration of its Management of the Partnership following the date of this Agreement.

C. Racing Related Matters

The Horse shall race in the name of the Partnership or the Partners, as the applicable rules of racing may require, and in the silks and colors of the Manager. Any trophy won by the Horse (including an Eclipse or other award) shall be retained by the Manager. Any other Partner may obtain an exact duplicate of such trophy, at such Partner's sole cost and expense. Complimentary or reserved seating accommodations to the extent such seating and accommodations are available in sufficient quantity at racetracks shall be allocated among the partners in proportion to their respective ownership percentage in the Partnership to the greatest extent possible.

D. Expenses Incurred on Behalf of Partnership.

The Partners shall reimburse the Manager for one hundred percent (100%) of the expenses incurred by the Manager on behalf of the Partnership. The expenses to be reimbursed shall include, for example, upkeep of the Horse, training expenses, liability insurance, mortality and stable insurance and bookkeeping fees, office expenses, and legal and accounting fees. Such expenses shall be billed by the Manager to the Partners and shall thereafter be paid within thirty (30) days of such billing. Any Partner who shall become in default in the payment of expenses due to the Partnership shall be assessed interest at the rate of two per cent per month on all such outstanding sums. Such expenses paid under this item D. will be treated as Partnership expenses and reported on the Partnership income tax return and will be specifically allocated as a deduction or cost to the Partner who paid such deduction or cost.

E. Prior Incurred Expenses.

Listed on Exhibit "A" hereto are the total initial Capital Contributions of each of the Partners, which include the acquisition prices of the Horse, the cost of the Manager's ownership interest in the Partnership, together with initial acquisition costs, expenses and taxes prior to the date of this Agreement and the percentage ownership of each Partner in the Partnership.

F. Insurance.

The Manager may obtain for the Partnership, coverage for mortality insurance on the Horse listed on Exhibit "A", including utilizing aggregate deductibles and the coverage for the Horses on policies with non-Partnership horses owned or controlled by Manager for such periods as Manager deems appropriate following commencement of the Partnership. The Manager shall have discretion to establish the values placed on the Horse for purposes of such insurance. Manager may also purchase at the Partnership's expense and keep in full force and effect for the term of the Partnership, general stable liability insurance and owners or jockeys insurance

policies as required by applicable racing authorities with respect to the operations of the Partnership.

G. Indemnification.

The Partnership shall indemnify and save harmless the Partners and Manager for any loss, damages, or expense incurred by any of them by reason of any act or omission to act on behalf of the Partnership performed by any of them in good faith, not in violation of this Partnership Agreement and without gross negligence.

H. Conflicts of Interest.

The Manager and its Members may be a Partner in this or any other partnership, and may otherwise engage in the thoroughbred training and racing businesses; or manage or advise entities engaged in the thoroughbred racing business. Such activities, whether or not they conflict with the best interest of the business of the Partnership, shall not be considered grounds for a claim of breach of the Manager's duties to the Partnership.

V. ASSIGNMENT; ADDITIONAL PARTNERS

A. Assignment Restricted.

A Partner may only assign his or her interest in the Partnership to another Partner pursuant to a written offer to purchase, which written offer to purchase discloses the complete terms of the offer and the identity of the buyer, subject to the First Right of Purchase of the other Partners, as provided in Provision V.B. In no event shall a Partner's interest be advertised for sale or sold at auction.

B. First Right of Purchase by Other Partners.

A Partner who desires to sell his or her interest (the "Selling Partner") shall give written notice to the other Partners and to the Manager, which notice shall include the written offer to purchase from the prospective buyer. Such notice shall constitute an offer by the Selling Partner to sell his interest to the remaining Partners and Manager. Within ten (10) days following receipt of such notice from the Selling Partner, each of the other Partners and Manager shall have the right to acquire the Interest at the price and on terms no less favorable than those set forth in the written offer to purchase. In the event two or more remaining Partners and/or Manager accept the Selling Partner's offer, the interest of the Selling Partner shall be purchased by such remaining Partners in proportion to such remaining Partners' ownership interest in the Partnership at such time.

C. Condition of Becoming a Substitute Partner.

A buyer shall become a Partner (and referred to sometimes as the "Substitute Partner") only upon executing a full counterpart of this Partnership Agreement thereby agreeing to be bound by

all terms hereof. Any Substitute Partner must be approved in writing by Manager in order to be eligible to become a Substitute Partner.

D. Rights of a Substitute Partner.

The Substitute Partner shall have only the right to receive the share of profits and distributions and to have the interest in capital to which the Selling Partner would otherwise be entitled under the Agreement.

E. Additional Partners.

The Partnership shall have the right to admit Additional Partners at the Manager's discretion.

VI. DEATH OR INCOMPETENCY OF A PARTNER

A. Dissolution Upon Death of a Partner; Vote to Continue.

The Partnership shall be dissolved upon the death of a Partner, unless the business of the partnership may by the remaining Partners upon vote of a majority in Interest elect to continue the Partnership, in which event the Partnership shall continue with the deceased Partner's estate, or with such person who succeeds to the deceased person's interest by inheritance.

B. Continuation in Event of Bankruptcy or Legal Incompetency.

In the event of the bankruptcy or adjudication of incompetency of a Partner, the Partnership shall not be dissolved, but the interest of the bankrupt or incompetent Partner shall be deemed offered for sale to the other Partners at a cash price equal to the bankrupt or incompetent Partner's capital account with the following adjustment: The value of the Horse will be determined by an appraisal commissioned by the Manager. The Partner's proportionate interest in this appraised value shall be substituted for that Partner's interest in the net book value of the Horse in the computation of their capital account. If more than one Partner accepts the offer, then the accepting Partners shall acquire portions of the bankrupt or incompetent Partner's interest in proportion to their Interest. In the event no Partner accepts the offer, then the Partnership shall dissolve.

VII. DISSOLUTION AND TERMINATION, LIQUIDATION

Upon dissolution, the Partnership affairs shall be wound up and its property liquidated as rapidly as business circumstances will permit. If sold at public auction, each Partner shall have the right to bid on and purchase any of the assets being sold. The trainer of the Horse shall be paid a five percent (5%) commission upon sale of the Horse.

The assets of the Partnership shall be applied to the following purposes in the following order: (a) to pay or provide for all amounts owed by the Partnership to creditors other than Partners, including without limitation, to pay for the expenses of winding up the Partnership affairs; (b) to pay or provide for payment of amounts owed to Partners or Manager (exclusive of Capital Accounts) under this Agreement or agreements validly entered into by the Partnership; and (c) the balance, if any, shall be distributed to the Partners in accordance with their respective Capital Accounts. The winding up shall be conducted by the Manager. Upon making of all distributions required under this agreement the Partners shall execute, acknowledge, deliver and file of record all documents required to terminate the existence of the Partnership under applicable law.

VIII. WARRANTIES OF PARTNERS

A. Warranties of the Partners.

Each Partner warrants to the others, and to any Manager, that the following are true:

- (a) The Partner intends to actively participate in the business of the Partnership;
- (b) Partner has received and read the Partnership Agreement, including all provisions thereof, and understands the rights of a prospective member of the Partnership. Partner has executed the Partnership Agreement. Partner is relying solely on the terms of such document with respect to the Partnership and not on any other oral or written statements by any person or entity.
- (c) Partner has received information related to the Partnership, and all other material aspects of the Partnership and has had every opportunity to ask questions relevant to the formation and operation of the Partnership and such questions have been answered to the satisfaction of Partner. PARTNER HAS BEEN INFORMED THAT THE PURCHASE OF THOROUGHBRED HORSES, PARTICULARLY AS RACING PROSPECTS IS A HIGH RISK ACTIVITY.
- (d) Partner acknowledges and agrees that the purchase of the interest in the Partnership by Partner is made with NO REPRESENTATION OR WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY, OR ANY OTHER EVENT, COVENANT, OR CONDITION, INCLUDING WITHOUT LIMITATION, THE HEALTH OR RACING ABILITY OF THE HORSES, BREEDING, OR FUTURE VALUE AND PARTNER THEREFORE AGREES TO ACCEPT THE INTEREST IN THE PARTNERSHIP AT THE TIME OF CLOSING ON A "AS IS" AND "WITH ALL FAULTS" BASIS.

(e) Partner has knowledge and experience in financial business matters, has substantial experience in the thoroughbred horse business, is knowledgeable and experienced with respect to investments in the horse industry in general and the racing segment of the horse industry in particular, and is capable of evaluating the merits and risks of an investment in the Partnership.

(f) Partner specifically acknowledges the restrictions on transfer set forth in the Partnership Agreement.

(g) Partner warrants and represents that Partner is fully qualified to obtain an owner's license to race in all jurisdictions and therefore has not been convicted of a felony, is not currently the subject of criminal investigation and has not been denied application for an owner's license for racing purposes in any jurisdiction.

(h) Partner acknowledges that the representations, warranties and covenants of Partner contained in this Agreement shall survive the purchase by Partner of the interest in the Partnership.

(i) The Partner has received no tax advice from Manager or any other Partner.

(j) The Partner is the sole person acquiring the interest in the Partnership and in the event such interest is being acquired by a corporate or other entity created under the laws of any state, all Partners and Members of such entity have been fully disclosed and such entity is duly incorporated and in good standing in its state of existence.

B. Remedies for Breach of Warranty.

In the event the Partnership, acting through vote of a majority in Interest, or the Manager, acting within its reasonable discretion, determines that a Partner has breached any warranty set forth in Provision VIII.A, the breaching Partner's interest shall be deemed offered for sale in the same manner as that of a bankrupt or incompetent Partner as set forth in Provision VI.B. The Partnership and the Manager shall have further rights to collect from the breaching Partner all damages (including expenses and legal fees) resulting from the breach.

IX. MISCELLANEOUS

A. Self-dealing.

No contract or transaction between the Partnership and any one or more of its Partners or between the Partnership and any other organization in which any one or more of the Partners are directors or officers, or have a financial interest, shall be void or voidable solely for such reason that the Partners or Partners were present at, or participated in, a meeting of the Partnership which authorized such contract or transaction, or solely because his or their votes are counted for

such purpose, if the material facts as such Partner's or Manager's relationship or interest are disclosed to or are known by all of the Partners prior to their approval thereof.

B. Other Interests of Partners of Manager.

Each Partner and Manager may engage in business ventures of any nature and description, independently or with others. Neither the Partnership nor the other Partners shall have any rights in or to such independent ventures or the income derived from such ventures.

C. Actions by the Partners.

Actions by the Partners may be accomplished by vote at a duly-convened meeting of the Partners, or by written consent of the required number of Partners. Meetings of the Partners may be called by the Manager or by Partners holding not less than fifty-one percent (51%) Interest in the Partnership upon not less than seven (7) business days prior written notice to all Partners. The Manager or calling Partners shall designate in the notice the place of the meeting, which may be attended by conference call.

D. Notices.

Any notices shall be in writing and shall be deemed to have been given when delivered or mailed by certified mail, postage prepaid, or by a recognized overnight delivery service such as Federal Express, addressed as follows: (a) if to a Partner, to the Partner's respective address set forth in this Agreement; and (b) if to the Partnership, at its principal office. Any notice may be waived in writing by the Partner entitled to receive it. Any Partner may from time to time change his address for purposes of this Agreement upon the giving of ten (10) days notice thereof to the other Partners and the Partnership as provided herein.

E. Amendments.

This agreement may not be amended nor shall any waiver, change, modification, consent or discharge be effective except by an instrument in writing executed by or on behalf of all of the Partners.

F. Counterparts.

This Agreement may be executed in counterparts (each of which need not be executed by each of the Partners), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and in pleading or proving any provision of this Agreement, it shall not be necessary to produce more than one of such counterparts.

G. Partnership Name and Good Will

At no time during the continuation, liquidation or dissolution of the Partnership shall any value ever be placed on the name or good will of the Partnership, either as among the Partners or for

the purposes of determining distributions, nor shall the personal representatives of a deceased have any right to claim any such value.

H. Waivers; Entire Agreement.

Any waiver of any terms or conditions of this Agreement shall not operate as a waiver of any other breach of such terms or conditions or any other term or condition, nor shall any failure to enforce any provision of this Agreement operate as a waiver of such provision or of any other provision. The Partners agree that this Agreement, including all Schedules and Exhibits hereto, constitutes the entire Agreement among them with respect to the subject matter of the Partnership and supersedes all prior agreements and understandings between them as to such subject matter.

I. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

J. Binding Effect.

This Agreement shall bind and inure to the benefit of each of the Partners and their respective heirs, executors, administrators, personal representatives, successors and assigns. This Agreement may be executed in counterparts, by facsimile or original signatures, each of which counterparts shall have the full force and effect of a single original document.

K. Governing Law and Resolution of Disputes.

This Agreement shall be governed and construed in accordance with the Laws of the State of Florida. If a dispute arises out of or relates to this Agreement or this Partnership, and if said dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by voluntary mediation under the Commercial Mediation Rules of the American Arbitration Association, before resorting to arbitration.

Any dispute that cannot be resolved by mediation within 30 days shall be finally resolved by binding arbitration administered by the American Arbitration Association under its Commercial Arbitration rules, and judgment upon the award rendered by the arbitrators may be entered, under seal, by the State of Federal Courts of Florida, to the jurisdiction of which Courts all parties hereto consent. The arbitration shall be conducted in Parkland, Florida. There shall be three arbitrators, named in accordance with such rules. The award of the arbitrators shall be accompanied by a statement of the reasons upon which the award is based.

IN WITNESS WHEREOF, the parties have hereunto executed or caused to be executed this Agreement as of the date first above written.

LITTLE DREAMS, LLC
MANAGER

By: _____

Its: _____

PARTNER: _____

By: _____

Its: _____