



BUDDY'S PEAK'N LLC AGREEMENT

Abstract

This agreement covers a NY Bred Colt partnership.

Bergen Stables
bergenstables@gmail.com

BUDDY'S PEAK'N LLC

Offered by Bergen Stables LLC

1. BUDDY'S PEAK'N LLC is a New Jersey Limited Liability Corporation involving one (1) New York Bred yearling colt foaled on April 18, 2017 by XIXIXI out of the dam Sanson Peak. The LLC is named for the colt.
2. There is a grand total of ten (10) shares of ten percent (10%) totaling one-hundred percent interest (100%) in this LLC offering. Bergen Stables plans to raise fifty thousand dollars (\$50,000.00) in capital which shall include the LLC fees, Jockey Club registration fees, boarding, feed, vitamins, ordinary veterinarian fees, dental, farrier, vanning, advertising, breaking and race training, turnout, grooming, social media, current stakes nominations and accounting until January 1, 2020.
3. No other current, past or future horses are included in this offering. Purchase of shares pertain only to BUDDY'S PEAK'N LLC. There is no limitation on the number of shares a member can elect to purchase. Once one-hundred shares are sold, the partnership is closed. Bergen Stables will retain a minimum of twenty-five percent (25%) of LLC. Bergen Stables will pay a minimum of twenty-five percent (25%) of all expenses while the LLC exists.
4. If the full fifty thousand dollars (\$50,000.00) is not raised the balance of the funds will be returned to the members on a pro-rata basis or Bergen Stables will purchase any/all outstanding shares at the cost included herein and be responsible for fees and expenses pro rata.
5. This is not a "stock", a "security", nor a "bond", and, should not be construed as one. All thoroughbred racehorses are living breathing animals as there is absolutely "NO" guaranteed return on investment.
6. The purpose of this LLC is to race the thoroughbred colt, Buddy's Peak'n.
7. Participation in this offering or thoroughbred racing in general, involves a high degree of risk. A racehorse could become injured, die, or never make it to the races.
8. There is the possibility, for whatever reason, that the "said horse" may never race. This may be due to an unforeseen injury. Should this occur, the members will acknowledge by way of this agreement that the horse may be bred and/or retired and other expenses may be incurred. Although all contingencies have been attempted to be covered, Bergen Stables is unable to cover all in this agreement.
9. Break down of share purchase in BUDDY'S PEAK'N LLC:
 - a. A full share constitutes a ten percent (10%) interest with a cost of five thousand dollars (\$5,000.00).
 - b. A half share constitutes a five percent (5%) interest with a cost of two thousand five hundred dollars (\$2,500.00).

- c. A quarter share constitutes a two and a half percent (2.5 %) interest with a cost of one thousand two hundred fifty dollars (\$1,250.00).
10. Bergen Stables LLC represents the management team. When referred to this agreement it shall represent the entire management interest. For the protection of all members after five (5) days from the date of purchase, there exist no provisions in this agreement for any refunds or re-sale of interests. Upon submission of signed agreement, all funds are due as specified by personal/business check within five (5) business days.
11. The LLC will terminate when Buddy's Peak'n is sold, claimed, dies or retires from racing.
12. It is entirely possible that Buddy's Peak'n shall retire from racing and become a stallion, at which time this agreement and LLC shall remain in effect.
13. Each member, for the life of this agreement, is responsible for their portion of the total expenses for Buddy's Peak'n as it relates to the percentage owned.
14. While funds remain in the operating account in the amount of five thousand (\$5,000.00) dollars NO invoices will be sent to members/partners.
15. Should funds reach an excess of twelve thousand (\$12,000.00) dollars which represents the current approximate cost for three (3) months to maintain a high caliber racehorse, all funds in excess of this amount will be refunded to the members within fourteen (14) days on a pro rata basis.
16. Invoices totaling ten thousand (\$10,000.00) dollars, which represents approximately three (3) months of fees will be sent if/when the capital account reaches five thousand (\$5,000.00) dollars or less. Upon receipt of an invoice, the member has five (5) business days to submit their portion of payment as it relates to percentage owned. Expenses directly relating to the colt, Buddy's Peak'n, must be paid in a timely manner.
17. Estimated monthly payment(s) needed when account balance is five thousand dollars (\$5,000.00) or below is as follows:
 - a. A full share (10 %) would submit four hundred dollars (\$400.00).
 - b. A half share (5 %) would submit two hundred dollars (\$200.00).
 - c. A one quarter share (2.5 %) would submit one hundred dollars (\$100.00).
18. Expenses are defined as everything normally associated to proper care and training for the colt including, but not limited to, training, travel/vanning, food, boarding, advertising, equipment, veterinary care, win photographs, entry fees, nomination fees, and accounting.
19. If after three (3) notices during a forty-five (45) day period funds are not received, the defaulting member(s) acknowledges that they are forfeiting their shares/interest in BUDDY'S PEAK'N LLC. The default shares will be offered to all member(s) for the outstanding balance due. Should no one purchase said shares with ten (10) days, defaulted shares will be assumed by Bergen Stables and the outstanding balance will be paid by Bergen Stables.

20. The LLC does not elect to purchase mortality insurance. This does not preclude any individual member from purchasing their own mortality insurance at their own expense to protect their investment.
21. Management reserves the right to purchase mortality insurance at a future date. Should this occur, all members will receive notification and a copy of the policy.
22. Any and all members reserve the exclusive first right to purchase Buddy's Peak'n if and when the colt is offered for sale by Management. Upon notification, the purchasing member(s) has seven (7) days to notify the General Manager of their intention. Should more than one member exercise their option than a closed bid auction will ensue and the highest bidder will be rewarded the "horse".
23. Management maintains sole exclusive authority for all decisions pertaining to the health and welfare of and if and when to sell the colt known as Buddy's Peak'n.
24. Members will vote on when and where to race, as well as many other decisions that may need to be made in regards to Buddy's Peak'n.
25. Bergen Fence LLC will have final authority that all decisions made are always in the best interest of Buddy's Peak'n, not the members.
26. Management shall receive no monetary compensation throughout this Agreement.
27. Management will never charge a mark-up on invoices, never charge a commission, never charge a sales fee or management fee for the duration of this contract.
28. Management will establish and maintain a bank account, solely for BUDDY'S PEAK'N LLC, with an FDIC insured bank. Should the LLC conclude, any and all remaining funds, less any expenses still due, will be returned to the members one-hundred percent (100%) on a pro rata basis.
29. The limit of liability to Bergen Stables LLC shall be no greater than that of the investment at the time of purchase by the member less any distributions received by the members/partners.
30. Bergen Stables LLC shall be held harmless and indemnified for all claims and/or litigation. Both parties agree to settle any/all disputes via binding arbitration in a venue selected by Bergen Stables LLC. The funds for Bergen Stables LLC to retain counsel and be indemnified will be paid for from the capital/expense account.
31. Limitations on Arbitrations: If either party elects to resolve a claim through arbitration, that claim will be arbitrated on an individual basis. There will be no right, nor authority for any claims to be arbitrated on a class action basis.
32. By way of this Agreement, only one attorney can represent an individual member. Each member shall retain their own individual representative.
33. Conversely, Bergen Stables LLC or any other members can be represented by one attorney should another member bring an action against the LLC, Bergen Stables LLC or any of its representatives or members.
34. In the event of an untimely death of a member/partner his/her shares shall revert to the Estate or the designated beneficiary of the deceased.

35. All members/partners reserve the right to sell or gift their shares/interests at any time. The Assignee must agree and abide by all the terms in this Agreement. Bergen Stables must be notified in writing prior to any transactions.
36. Net purses earnings are defined as earned purses less the customary fees: Ten percent (10%) to the trainer, five-ten percent (5%-10%) to the jockey, one percent (1%) to the groom, one percent (1%) to an aftercare program, race day expenses and win photographs.
37. Should the colt be fortunate enough to be of the stakes caliber, then nomination fees will be deducted from the purse earnings.
38. If required, the member at their own expense must be licensed. Most states require licensing on ownership interest greater than five (5%) percent. The State of New York requires licensing on ownership of three (3%) percent or greater.
39. The LLC, through its Certified Public Accountant (CPA), shall provide to the members a K-1 for tax reporting prior to March 31st each year for the life of this agreement.
40. While every attempt has been made to cover all contingencies, should a situation occur not covered by this agreement, management maintains the sole exclusive authority to make any changes deemed necessary as well as adjudicate any and all disputes in a customary and reasonable manner.

(The rest of this page intentionally left blank)

This page must be submitted with Page 6. A signed executed copy will be returned to you.

I am over the age of eighteen (18) and have completely read and comprehend this agreement.
I fully agree to abide and comply with the terms and conditions as set forth within this agreement.

I wish to purchase _____ percent interest as a member of BUDDY'S PEAK'N LLC. Enclosed is my check, made payable to BUDDY'S PEAK'N LLC, in the amount of \$ _____.

Signature of Member

Date

Name (Print)

Signed before me this _____ day of _____, 2017

Notary Public

Gerard J Restel, Management
Accepted By on behalf of Bergen Stables

Date

The following must be provided for BUDDY'S PEAK'N LLC membership.

Legal Name _____

Address _____

City _____

State _____

Zip Code _____

Phone # (_____) _____ - _____

Alternate Phone # (_____) _____ - _____

E-mail _____

Social Security # _____ - _____ - _____

Mail Completed Pages 5 and 6 along with check to:

Bergen Stables
279 Bergen Turnpike
Ridgefield Park, NJ 07660

Contact: Jerry Restel (201) 463-1174
Email: Jerry@bergenstables.com