Limited Partnership Agreement

Reality Horse Racing Exchange (REX) Horse Racing League

This Limited Partnership Agreement (“Agreement”) is entered into by and among the undersigned Exchange Owners (“Members”) and Thoroughbred Racing Productions, LLC, doing business as Reality Horse Racing (“Company”), and is effective as of the date each Member accepts the terms of this Agreement by selecting “I Accept REX Membership Agreement Terms.”

I. Name

The investment entity shall be known as the REX Horse Racing League or REX. All racehorses owned by REX shall compete under the name Reality Horse Racing.

II. Management

Jerome Aiken, in his capacity as the REX Manager, together with his consulting team (collectively, “Management”), shall have full authority and responsibility for all purchasing, racing, and sales decisions regarding REX assets.

III. Parent Company

REX is wholly owned by Thoroughbred Racing Productions, LLC, doing business as Reality Horse Racing.

IV. Exchange Details

This Agreement outlines the terms of REX membership available to individuals, investment groups, and business entities. In addition to Member exchanges, REX may also fund an exchange. The REX exchange collective is dedicated to the acquisition and management of thoroughbred racehorses. Such investments inherently carry risks—including, but not limited to, illness, injury, or death of the racehorses. This is a high-risk, high-reward investment; therefore, Members should invest only funds they are prepared to risk.
REX funding will close once sufficient capital has been secured and horse acquisitions are underway making the league private. Thereafter, no additional funding will be accepted and exchange funding will be converted to privately held shares at $1.00 per share to allow Members to trade shares with one another via the REX trade portal.

V. Purpose

The purpose of the REX exchange collective is to achieve a strong capital base to acquire high-caliber racehorse prospects with significant racing potential, to compete at the highest levels of horse racing, and ultimately to sell or breed these assets to generate substantial returns for REX Members.

VI. Exchange Structure

- **Exchange Funding:** The exchange owner may fund their exchange with any dollar amount.
- **Exchange Collective:** All exchange owners together form the exchange collective, with funding combined into a single pool.
- **Share Conversion:** Once exchange funding is closed, the collective funds in all exchanges will be assigned an initial share value of **$1.00 per share** to facilitate private trading when the trade portal is activated.
- **Nature of Shares:** These shares are not publicly traded securities; however, they are privately tradable among REX Members.
- **Disbursement Metric:** Shares will also serve as the basis for determining Member disbursements triggered by surplus capital.

VII. Valuation of REX

Periodic evaluations of REX's cash assets—net of debts and future obligations—shall determine whether surplus capital exists for distribution to Members.

VIII. REX Cash Value

The "Cash Value" of REX is defined as:
Cash Value = (Cash on Hand + Receivables) – (Unpaid Expenses). Non-cash assets are excluded from this calculation.

IX. Sharing of Profits and Losses

- **Distribution:** Profits and losses will be allocated in proportion to the number of shares held by each Member.
- **Allocation of Excess Capital:** Ninety-five percent (95%) of any excess capital derived from racing purses, horse sales and breeding rights shall be distributed to Members on a pro rata basis, while the remaining five percent (5%) shall be retained by Management as a management fee.
- **Liability:** Members' liabilities are limited to their investment amounts. Any liabilities exceeding REX's assets shall be the responsibility of Management.

X. Annual Accounting and Audit

Management shall provide an annual accounting statement to all Members, detailing all transactions related to horse acquisitions, sales, purse earnings, expenses, and any member disbursements.

XI. Bank Account

Management will establish and maintain a dedicated bank account for all REX transactions. Withdrawals from this account shall only be made by Management or its designated representatives and strictly for REX business purposes.

XII. Purse Accounts

At each racetrack where REX-owned horses compete, purse accounts under the name Reality Horse Racing will be established and managed by the tracks designated Horseman's Bookkeeper. These accounts shall cover:

- Racing purse income
- Racing fees
- Jockey fees
- Training fees
- Win photos and other track-imposed fees

XIII. Management Fee

Management shall receive a fee equal to 5% of any disbursements made to Members.

XIV. Meetings

Management may convene periodic virtual meetings at its discretion to provide updates on REX business and discuss future strategies with Members.

XV. Purse Account Transfers

Funds may be periodically transferred between purse accounts and the REX bank account as necessary to cover racing fees and other operational expenses.

XVI. Buying and Selling Shares

- **Member Trading:** REX Members may buy and sell shares among themselves via the REX trade portal at prices set by the exchange owner who is offering to buy or sell shares.
- **Restrictions:** Shares may not be sold to non-members of REX.

XVII. Selling Your Exchange

- **Transfer of Ownership** – As with other sports franchises, your exchange may increase in value. After maintaining a funded exchange for three (3) years, an exchange owner may request approval to sell the exchange in its entirety to a non-member. If approved, a transfer fee equaling 10% of the sales price shall be paid to management upon verification and completion of the transaction. Ownership will not be transferred until the sale has been verified and the transfer fee has been received in full.

XVIII. Termination of REX

REX Management reserves the right to terminate REX at any time. Upon termination:

- All REX assets will be liquidated.
- Liabilities will be paid off.
- Any remaining cash will be distributed to Members in proportion to their shareholdings. If liabilities exceed available cash, Management shall be responsible for remaining expenses.

XIX. Exchange Funding Commitment and Withdrawal Policy

Investments made through exchange funding are committed to the execution of the REX business plan and are generally non-withdrawable.

However, if no horse acquisitions have occurred within one (1) year of a member's exchange funding, the member may submit a written request for a partial or full return of their contributed capital.

Members are strongly advised to invest only capital they can afford to commit for an extended period, as liquidity during the investment term is limited to trading.

XX. Death or Incapacity of a REX Member

Each Member may designate a successor to manage their exchange in the event of death or incapacitation.

XXI. Uses for REX Capital

REX collective capital will be allocated to expenses related to racehorse investments, including but not limited to:

- Acquisitions
- Licensing
- Insurance
- Training
- Consultant fees
- Horse Transportation
- Veterinary bills
- Sales commissions
- Racing fees
- Tack
- Silks

Management's personal expenses (e.g., lodging, travel, dining, race attendance) shall be covered by the management fee and not from REX capital.

XXII. Trading Fees

Each trade incurs a $0.05 fee, charged to the seller at the time of transaction completion.

XXIII. Prohibited Actions by REX Members

Without explicit permission from Management, no REX Member shall:

- Bind or obligate REX in any matter outside the scope of its stated purpose.
- Transfer, pledge, or sell their REX shares to non-members of REX.
- Make investments on behalf of REX.
- Use REX's name, logo, or assets for personal gain, except as expressly permitted herein.
- Engage in any conduct that could harm REX or impede its operations.

Binding Effect:

This Agreement shall be binding upon all Members, successors, and their respective legal representatives. By selecting "I Accept REX Membership Agreement Terms," each Member agrees to abide by all the terms and conditions set forth in this Agreement.