

DOUBLE A GAP GROUP PARTNERSHIP AGREEMENT

This partnership agreement is entered into as of the date below, written by and among the Partners whose names appear on the signature pages hereof.

1. The Double A Gap Group Partnership (hereinafter, the "Partnership") is a general partnership formed under Minnesota law, operating from the date of this agreement until terminated as provided in Section 13.
2. The business of the Partnership is to purchase, own and race a thoroughbred racehorse or thoroughbred race horses at Canterbury Park and potentially at other racetracks as determined by the Partnership's trainer.
3. The managing partners will be Paul Allen and Mike Zimmer ("Managing Partners") with Paul Allen serving as the authorized partner ("Authorized Partner"). The trainer will be selected by the Authorized Partner. The Partners agree that the Authorized Partner and the trainer will be designated as authorized agents of the Partnership for dealings with racetracks, regulatory bodies and other individuals and entities concerning the business of the Partnership. The Authorized Partner, in consultation with the trainer, will make all decisions related to the Partnership, its horses and the day-to-day business decisions of the Partnership.
4. The Authorized Partner shall exercise appropriate care in carrying out his role under these Terms & Conditions but cannot be held responsible for matters beyond his control. The Partnership will not be liable to make any payments other than those specifically referred to within. No member of the Partnership shall have any claim against the Managing Partners or against any other member of the Partnership in respect of any loss or injury sustained by any of the horses howsoever caused.
5. If a member of the Partnership's equity is worth 5 percent or more of the Partnership, that member shall take all necessary steps, to obtain an owner's license in Minnesota and shall abide by any licensing requirements found in other states that the Partnership races in.

Representations to the Minnesota Racing Commission (MRC) or any other regulatory bodies of jurisdictions in which the Partnership may race. I represent to the Club, the MRC and any other regulatory bodies that:

- I am not in default in the payment of any obligation under Minnesota Statutes, Chapter 240, pertaining to pari-mutuel horse racing; or statutes of any other states;
- I have never been convicted of a felony in a state or federal court, and do not have a state or federal charge pending;

- I am not now, nor have I ever been connected with or engaged in an illegal business;
 - I have never been found guilty of fraud or misrepresentation in connection with racing or breeding;
 - I have never been found guilty of a violation of law or rule relating to horse racing, pari-mutuel betting, or any other form of gambling which is a serious violation as defined by MRC or any other racing jurisdiction; and,
 - I have never knowingly violated a rule or order of the MRC or a law of Minnesota relating to racing.
6. Meetings of the Partnership may be called by the Authorized Partner. Such meetings may be held either in person, or by way of conference call or online internet chat or other similar electronic means. Notice of Partnership meetings shall be given at least three days in advance of the meeting. Members of the Partnership shall communicate with each other via email, using an email list to be established for that purpose by the Authorized Partner or their designee. The partners agree that communications via email will be civil, polite and respectful of others' opinions. Except as provided in this Article and in Articles 12 and 16, all Partnership funds shall be used by the Partnership for the purchase of thoroughbred racehorses and for payment of reasonable, ordinary, and necessary operating expenses, including but not limited to trainer fees, trainer and jockey shares of purse earnings, farriers' and veterinarians' bills, horse transportation costs, licensing and/or entry fees.
7. The Authorized Partner or their designee shall maintain the Partnership accounts and shall provide each Partner with a reasonably detailed monthly statement of Partnership income and expenses. The funds of the Partnership shall generally be held on account with the Horsemen's Bookkeeper at Canterbury Park or a track where the Partnership is racing thoroughbred racehorses.
8. The Authorized Partner or their designee shall arrange in a timely fashion for the filing of Partnership tax returns and for the provision of Internal Revenue Service Form K- 1s and such other information as Partners may reasonably require in preparing their individual tax returns. Profits and losses shall be allocated among the Partners in proportion to their Partnership Interests and otherwise as required by Subchapter K of the United States Internal Revenue Code. All costs of bookkeeping, financial statements and tax return preparation shall be covered by Partnership Funds.
9. In return for their services in establishing and managing the business of the Partnership and for their appearances at Partnership events, the Managing Partners shall each receive an equity stake in the Partnership equal to each individual member. This equity

stake shall have no value until the Partnership ceases operations at which time that shall be included in the equal distribution of the Partnership's remaining assets. The Managing Partners will contribute their portions of the distribution to The Mike Zimmer Fund and Minnesota Brain Injury Alliance.

10. The Partnership shall maintain a cash reserve equal to at least 15-days estimated operating expenses.
11. A Partner's equity stake in the Partnership is non-transferrable and shall not be conveyed, sold, or otherwise committed to any party other than the original purchaser.
12. The Partnership shall consist of eight partnership units, each with an initial cost of \$5,000 USD. With eight members of the Partnership, not inclusive of the Managing Partners, subscribed, each member of the Partnership, including the Managing Partners, shall hold a 10.0 percent interest in the Partnership. The Partnership shall close to new members, in the sole discretion of the Managing Partners, when eight units have been subscribed and monies paid.
13. The Partnership shall terminate no later than December 31, 2019. The Authorized Partner shall have sole discretion in selling any horse, including a sale to a new Partnership, such that the Partnership fulfills its obligation to terminate by December 31, 2019. The Partnership may be terminated earlier by decision of the Authorized Partner. On the termination date, the Authorized Partner shall arrange for the orderly disposition of Partnership assets and the distribution of proceeds to each member of the Partnership in proportion to their Partnership Interests once all financial obligations are met. For purposes of this Article, the managing partner's good-faith determination of the value of Partnership assets shall be conclusive.
14. This agreement shall be construed in accordance with, and the Partnership shall be governed by, the laws of the State of Minnesota.
15. Members of the Partnership understand that participating in this Partnership is not an investment, carries inherent risk and may result in full loss of the entire \$5,000 contribution.

Acknowledgement of Agreement & Waiver of All Liability

The undersigned hereby agrees to abide by all terms as outlined within this agreement, and hold harmless Paul Allen, Mike Zimmer (Managing Partners and Authorized Partner), Canterbury Park Holding Corporation, its Officers and employees in all matters relating to the Double A Gap Group Partnership as described above.

Dated as of the _____ day of _____, 2019

Signature

Name (Printed)

Street Address

City, State, Zip Code

Email Address

Telephone

SSN# (for Tax Return purposes only)

Please mail the original completely executed agreement and your \$5,000 check, payable to Canterbury Park, to:

**Canterbury Park
c/o Jeff Maday
1100 Canterbury Rd.
Shakopee, MN 55379**

For further information call Jeff Maday at 952-496-6408 .