

Fantasy Lane Stable, Inc.
Fantasy Lane Stable 2008 Two-year Old Program “D”

1. Fantasy Lane Stable 2008 Two-year Old Program “D” is a Florida partnership involving the purchase of one or more two-year olds in training. There are a grand total of thirty (30) full Shares (90% Interest) in this Partnership. This represents a grand total of \$150,000 in capital. No other current FLS horses or Partnerships are included in this offering. There is no limitation on the number of shares a member/partner can purchase. Once 30 full shares are sold the syndicate in this Program “D” is closed.
2. Each full (1) Share has a cost of five thousand dollars (\$5,000) and represents a 3% interest. Half (1/2) Shares are also available at a cost of two thousand-five hundred dollars (\$2,500) and represent a 1.5% Interest. Quarter (1/4) Shares are also available at a cost of one thousand two-hundred fifty dollars (\$1,250) and represent a 0.75% Interest. Purchases of these shares are as a Member Limited Partner and pertain only to this specific 2008 Program “D” and not to any other FLS syndicates or horses. If this partnership is not sold-out by August 15, 2008, all funds may be returned, without interest, upon written demand.
3. No oral promises or explanations arising from the website, brochure, cover letter, e-mail, personal or otherwise, shall alter the written terms of this Agreement. The literature and/or conversations are for explanatory purposes only and to provide an overall guide as to the intentions of the syndicate.
4. There is no guaranteed return on investment (ROI) as participation in this program and thoroughbreds in general involve a very high degree of risk.
5. The General Manager (GM) in the singular tense represents the management team. When referred to in this Agreement, shall represent the entire management interest.
6. For the protection of all Member/Partner(s) after five (5) days from the date of purchase, there are no provisions for any refunds or re-sale of Interests.
7. FLS 2008 Two-year Old Program “D” Partnership commences on or about April 15, 2008, and terminates when the horse(s) are sold. Each member/partner owning one full share is responsible for the life of this agreement for 3.33% of the total expenses. Members/Partner(s) owning a half share are responsible for 1.67%. Member/Partner(s) owning a quarter-share are responsible for 0.835%. These expenses are to be paid in advance on a quarterly (3 months) basis. It is estimated that member/partners owing a full-share shall pay \$300 per quarter; those with a half-share \$150; and those with a quarter-share \$75 per quarter.
8. Expenses are defined as everything normally associated to purchase, train, and properly care for the horse(s), including, but not limited to, training, travel, food and lodging to purchase the horses, advertising, equipment, silks, veterinary work, transportation, win photographs, entry and nomination fees, phone hotline, mailings, stamps, supplies, agent commissions of 5%, and mortality insurance (if purchased). Any portion of the total capital raised that is not used in acquiring the horse(s) will be used to offset training expenses until it is exhausted.
9. The Member/Partner(s) reserve the exclusive first right to purchase this horse(s) if and when the horse(s) are offered for sale by the General Manager. Upon notification, the Partner has five (5) days to elect to notify the General Manager of his intention to purchase.

10. If more than one Member/Partner(s) exercises his/her option, an auction shall ensue, with the highest bidder awarded the horse(s). If bids are equal then the GM has the right to decide.
11. The General Manager maintains sole exclusive authority to operate the management of the horse(s) without any interference from the Member/Partner(s).
12. The General Manager maintains sole exclusive authority for all decisions to sell.
13. The General Manager maintains sole exclusive authority as to when and where to enter.
14. The General Manager maintains sole exclusive authority to make all customary and reasonable decisions required in the day-to-day management of the horse(s).
15. The General Manager shall receive at the time of purchase a ten percent (10%) commission based on the purchase price of the horse(s). He shall also receive a ten percent (10%) equity interest in the horse including, but not limited to, ten (10%) percent of all purse earnings as management compensation.
16. The General Manager shall establish and maintain a bank account with an FDIC insured commercial bank. Any unused Operation funds remaining at the conclusion of this Agreement shall be returned 100% pro-rata to all of the Limited Member/Partner(s).
17. The limit of liability to the General Manager shall be no greater than that of the investment made at the time of purchase by the Limited Member/Partner less any distributions received by the Partner(s). The General Manager shall be held harmless and indemnified for any and all claims and/or litigation.
18. In the event of the untimely death of the Member/Partner(s), his/her share shall revert to the Estate or the designated beneficiary.
19. All Member/Partner(s) reserve the right to sell their Interest(s) at any time. Should this occur, the new Assignee must agree to abide by all of these terms. The selling Member/Partner(s) must notify the General Manager in writing before making any sale. The Member Limited Partner(s) will then be notified and have the exclusive right for 7 days to match the price and purchase the interest(s). If more than one Partner(s) elects this option, an auction shall ensue with the highest bidder awarded the right to purchase the Interest(s).
20. Periodically, anticipated quarterly, accumulated net purse earnings in excess of \$9,000 per horse (3 months training expenses) to be kept in reserve shall be distributed to the Member/Partner(s). Net purse earnings are defined as earned purses less the customary fees to the trainer (10%), jockey (10%), groom (1%) and win photographs. If the horse(s) are fortunate to be of stakes caliber, then nomination, entry & starting fees will be deducted from purse earnings as well. Should the horse(s) be sold privately resulting in a profit, the selling trainer shall receive 10% of the sale price. If the horse is sold as a stud/broodmare and syndicated then the trainer shall be gifted two (2) shares.

21. Should the horse(s) be syndicated after his/her racing career is over, or a portion sold for racing purposes, the Member/Partner(s) shall maintain his/her pro-rata percentage of ownership should the horse(s) be sold to outside Interests. (I.E. If 50% of the horse(s) is sold, then the Member/Partner(s) overall ownership percentage would likewise be reduced by an equal amount of 50%. In this hypothetical example, a Member/Partner(s) owning one full share would then have his/her Interest percentage reduced from 3% to a half-share 1.5%. Member/Partner(s) owning less than a full share would likewise have their holdings reduced in the same proportion.
22. The Member/Partner(s) shall be notified (on a best attempt basis) usually two (2) days prior to a race, by e-mail each time the horse(s) is scheduled (entered) to race.
23. If required, the Member/Partner(s) at his/her own expense must pay to be individually licensed, or pay any State for Member/Partnership fees. (Most State Racing Commissions require ownership Interest of greater than 5% to be licensed.)
24. The Member/Partner(s) is required for the entire life of this Agreement to contribute additional funds for expenses. Any shortfalls will not be responsibility of the General Manager. If after three notices the funds are not forthcoming the Member/Partner acknowledges that he/she shall forfeit his/her Interest in the horse but shall still remain liable for the funds.
25. The General Manager shall provide to the Member Limited Partner(s) a K-1 on or before March 1, 2009.
26. The Member/Partner(s) upon notification shall have the exclusive right to enroll in the next Syndicate for 14 days prior to it being offered for sale to the General Public.
27. Although every attempt has been made to cover all contingencies, should a situation occur not covered by this Agreement, the General Manager maintains the sole exclusive authority to adjudicate any disputes in a customary and reasonable manner.

I have completely read and comprehend the terms of this Agreement. I wish to purchase _____ Interest(s) as a Member/Partner in the Fantasy Lane Stable 2008 Two-year Old Program "D" Partnership. I fully agree to abide and comply with the terms and conditions as set forth within this Agreement. I enclose my check in the amount of \$_____.

Date

Member/Partner

Signed before me this _____ day of _____, 2008.

(seal)

Notary Public

Accepted By on behalf of Fantasy Lane Stable, Inc.:

Date

Robert L. Hutt, General Manager

Please provide the following information for our records.

FULL NAME: _____

ADDRESS: _____

CITY _____ STATE: _____ ZIP: _____

TELEPHONE:

Day: (_____) _____

Evening: (_____) _____

Cell: (_____) _____

Fax: (_____) _____

E-MAIL: _____

SOC. SECURITY # _____ - _____ - _____