

**Fantasy Lane Thoroughbred Racing Stable LLC**  
**300 Craig Road**  
**Manalapan, NJ 07726**

**Fantasy Lane Stable 2011 Two-Year Old Program "A"**

1. Fantasy Lane Thoroughbred Racing Stable LLC (referred to as FLS) 2011 Two-Year Old Program "A" is a Delaware Limited Partnership involving the purchase of one (1) unraced two-year old thoroughbred in training.
2. There is the grand total of thirty (30) full Shares (90% Interest) in this FLS Partnership. This represents a grand total of \$240,000 in Capital.
3. No other current FLS horses or Partnerships are included in this offering. There's no limitation on the number of shares a Member/Limited Partner can elect to purchase. Once the 30 full shares are sold this FLS 2011 Program "A" syndicate is closed.
4. There is NO guaranteed Return On Investment (ROI) as participation in this program and thoroughbred racing in general involves a very high degree of risk.
5. The purpose of this FLS 2011 Two-Year Old Program "A" is to purchase one (1) two-year old thoroughbred in training with the express intention to "race". If the full \$240,000 is not exhausted in the purchase of the horse the balance of funds shall offset training expenses until fully exhausted.
6. There is the possibility for whatever reason that the horse may never race. This may be due to an unforeseen injury. Should this occur the Member/Partner acknowledges by way of this Agreement that the horse may be bred or retired and that other expenses may incur. Although we have attempted to cover most contingencies FLS is unable to cover all in this Agreement.
7. Each full (1) Share has a cost of eight-thousand dollars (\$8,000) and represents a 2.99% interest. Half (1/2) Shares are available at a cost of four-thousand dollars (\$4,000) and represent a 1.5% Interest. Quarter shares (1/4) cost two-thousand (\$2,000) and represent a 0.75% Interest. An eighth share (1/8) costs one-thousand dollars and represents a 0.375% interest.
8. Purchases of these shares are as a Member/Limited Partner and pertain only to this specific 2011 Program "A" and not to any other FLS syndicates or horses. If this partnership is not sold-out by July 31, 2011, all funds may be returned, without interest, upon written demand.
9. No oral promises or explanations arising from the FLS Website, Brochure, Cover Letter, E-mail, Personal Phone Conversations or Otherwise, shall alter the written terms of this Agreement. The literature and/or conversations are for explanatory purposes only to provide an overall guide as to the intentions of this FLS syndicate.
10. The General Manager (GM) in the singular tense represents the management team. When referred to in this Agreement it shall represent the entire management interest.
11. For the protection of all Member/Limited Partner(s) after five (5) days from the date of purchase, there are no provisions in this Agreement for any refunds or re-sale of Interests. Upon making a reservation all funds are due in full by personal check within two (2) weeks.
12. FLS 2011 Two-Year Old Program "A" Partnership commences on or about August 20, 2010 and terminates when the horse is sold, claimed, dies, or is retired from racing.

13. Each Member Limited Partner owning one full share is responsible for the life of this Agreement for 3.33% of the total expenses once the initial capital is exhausted.
14. Members/Limited Partner(s) owning a half-share is responsible for 1.67%.
15. And, Members/Limited Partner(s) owning a quarter-share is responsible for 0.84%.
16. And, Members/Limited Partner(s) owning an eighth-share is responsible for 0.42%.
17. These expenses are to be paid in advance on a semi annual (6 months) basis once the initial capital is exhausted. Upon receiving an invoice the partner has two (2) weeks to submit payment.
18. When an invoice for expenses is due each Member/Limited Partner(s) owning a full-share shall pay \$600 per horse, semi-annually (6 months); those with a half-share shall pay \$300 per horse semi-annually; and, those with a quarter-share shall pay \$150 per horse semi-annually; and those with an eighth-share shall pay \$75 semi-annually.
19. As long as funds remain in the original Capital (\$240,000) less the purchase price of the horse, commissions, and expenses, the Member/Limited Partner(s) shall not be asked to make/contribute any additional funds for training expenses until the Capital is fully exhausted.
20. Barring an unforeseen injury it is not anticipated that any Member/Limited Partner will be asked for any training Expense for the duration of 2011.
21. 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, lodging to purchase the horse, advertising, equipment, silks, veterinary care, transportation, win photographs, entry, nomination fees, phone hotline, mailings, stamps, office supplies, bloodstock agent commissions of 10%, and mortality insurance (if purchased).
22. If at some point in time management decides to purchase mortality insurance it will be done at the complete discretion of management {General Manager}.
23. A Member/Limited Partner(s) may elect at his/her own expense to purchase Mortality Insurance up to the percentage of his/her investment at any time.
24. The Member/Limited Partner(s) reserves the exclusive first right to purchase this horse if and when the horse is 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.
25. If more than one Member/Limited Partner(s) exercises his/her option, an auction shall ensue, with the highest bidder awarded the horse(s).
26. The General Manager maintains sole exclusive authority to operate the management of the horse without any interference from the Member/Limited Partner(s).
27. The General Manager maintains sole exclusive authority for all decisions to sell.
28. The General Manager maintains sole exclusive authority as to when and where to enter.
29. The General Manager maintains sole exclusive authority to make all customary and reasonable decisions required in the day-to-day management of the horse.
30. The General Manager shall receive at the time of purchase a ten percent (10%) commission based on the purchase price of the horse.
31. The GM 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 for the administration.

32. 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).
33. 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 Member/Limited 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. Both parties agree to settle any and all disputes via binding arbitration in a venue selected by management.
34. In the event of the untimely death of the Member/Limited Partner(s) his/her share shall revert to the Estate or the designated beneficiary of the deceased.
35. All Member/Limited Partner(s) reserves the right to sell their Interest at any time. The new Assignee must agree to abide by all of the terms in this Agreement. The selling Member/Limited Partner(s) must notify the General Manager in writing before making any sale.
36. 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. If more than one Member/Limited Partner(s) elects this option, an auction shall ensue with the highest bidder awarded the right to purchase the Interest.
37. Periodically, anticipated semi-annually accumulated net purse earnings in excess of \$18,000 per horse (6 months training expenses) shall be distributed to the Member/Limited Partner(s).
38. Net purse earnings are defined as earned purses less the customary fees to the trainer 10% {11% if two assistant trainers are employed}, jockey (10%), groom (1%) and win photographs.
39. If the horse is fortunate to be of stakes caliber, then nomination, entry & starting fees will be deducted from purse earnings as part of expenses.
40. Whenever the trainer employs more one than Assistant Trainer it's customary and reasonable for the Trainer's Fee to be 11% on all purses earned.
41. Should the horse be sold privately resulting in a profit, the selling trainer shall receive 10/11% of the sale price. If the horse is sold as a stud/broodmare and syndicated then the trainer shall be gifted two (2) shares/ breeding seasons annually.
42. Should the horse be syndicated after his/her racing career is over, or a portion sold for racing purposes, the Member/Limited Partner(s) shall maintain his/her pro-rata percentage of ownership should the horse be sold to outside Interests.
43. **{Illustrated Example}**..... If 50% of the horse is sold, then the Member/Partner(s) overall ownership percentage would likewise be reduced by an equal amount of 50%.
44. In this **hypothetical illustrated example**, a Member/Limited Partner(s) owning one full share would then have his/her Interest percentage reduced from 2.99% to 1.5%. Member/Limited Partner(s) owning one-half {1.5%} share would likewise have his/her holdings prorated by 50% to 0.75%. And those owning a quarter-share {0.75%} prorated down to 0.375%. An eighth share holder would see his/her holdings reduced from 0.375% to 0.1875%
45. The Member/Limited 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 is scheduled (entered) to race.

46. If required, the Member/Limited 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.
47. The only exception to Paragraph #46 {to our knowledge} is the State of New York where the limited partner must be licensed if he/she owns an interest of 3% or greater.
48. The Member/Limited Partner(s) is required for the entire life of this Agreement to contribute additional funds for all expenses. Any shortfalls will not be responsibility of the General Manager.
49. If after three (3) notices the funds are not forthcoming the Member/Limited Partner(s) acknowledges that he/she shall forfeit his/her Interest in the horse but shall still remain liable for the funds.
50. The General Manager through his Certified Public Accountant {CPA} shall provide to the Member/Limited Partner(s) a K-1 for tax reporting on or before March 1, 2012. There will not be a K-1 in 2011.
51. Fantasy Lane Thoroughbred Racing Stable LLC does not offer tax advice as that responsibility is solely up to the individual Member/Limited Partner upon the advice of his/her own tax adviser/ CPA.
52. The Member/Limited 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.
53. 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 Thoroughbred Racing Stable LLC 2011 Two-Year Old Program "A" 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 \_\_\_\_\_, 201\_\_.

(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 # \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

**MAIL TO: FANTASY LANE THOROUGHBRED RACING STABLE LLC  
300 CRAIG ROAD  
MANALAPAN, NJ 07726**