



StablesOnline.com Inc.,

StablesOnline.com 2012 RACING PARTNERSHIP



StablesOnline.com 2012 RACING PARTNERSHIP

Memorandum

TABLE OF CONTENTS

Presale Delivery Instructions
Important Note
Introduction
Summary
Disclaimer of Warranty
Suitability - Who Should Invest
Sources and Uses of Proceeds
Assumptions
Estimated Annual Operating Expenses
Tax Considerations
The Horses
Management Agent
Partnership Agreement
I. Partnership Objectives
II. Name and Ownership Interests
III. Partnership Term
IV. Operating Expenses
V. Licensing
VI. Partnership Management
VII. Management Services
VIII. Management Compensation, Fees and Other Expenses
IX. Conflicts of Interest
X. Rights of First Refusal and Transferability of Shares
XI. Indemnification of Partners and Management Agent
XII. Miscellaneous
Partnership Subscription Agreement and Signature Page
Counterpart Partnership Subscription Agreement and Signature Page



PRESALE DELIVERY INSTRUCTIONS

1. First view the entire Web Site: www.StablesOnline.com
2. Then Download to print a hard copy of the Memorandum, Partnership Agreement and Subscription Agreement and Save in a New Folder.
3. Carefully review the entire Memorandum.
4. Read the Partnership Agreement.
5. Complete the Subscription Agreement (date, units, capital contribution).
6. Execute the "Counterpart" Subscription Agreement.
7. Reserve your desired number of units in order to insure your space as a partner: www.StablesOnline.com see Presale Delivery Instructions.

Upon confirmed reservation you are deemed to have agreed to be bound by the terms and conditions set forth in this Memorandum, Partnership Agreement and Subscription Agreement. With email Reservation transaction receipt furnished to you from StablesOnline.com Inc.

Upon full subscription StablesOnline.com Inc., will furnish e-mail notice of same to each subscriber to purchase his/her units held in reserve.

Upon StablesOnline.com Inc., receipt of your full capital contribution you are immediately considered a subscribing partner and a co-owner in the Partnership. With email Purchase transaction receipt furnished to you from StablesOnline.com Inc.

YOU SEND NO DOCUMENTS! However for your records, simply save your completed and executed Subscription Agreement documents with your Reservation and Purchase transaction receipts in your folder.

Prospective partners or their advisors may have questions answered by first referring to www.StablesOnline.com see FAQ. For additional information contact the Partnership Management Agent's support team via e-mail (office@StablesOnline.com). It will be a pleasure to serve you.



IMPORTANT NOTE

THE MATERIAL CONTAINED HEREIN HAS IMPORTANT INFORMATION CONCERNING PARTICIPATION IN THE PARTNERSHIP AND IT SHOULD BE READ CAREFULLY AND UNDERSTOOD BEFORE BECOMING A PARTNER. PROSPECTIVE PARTNERS OR THEIR ADVISORS MAY HAVE QUESTIONS ANSWERED BY FIRST REFERRING TO WWW.STABLESONLINE.COM SEE FAQ. FOR ADDITIONAL INFORMATION CONTACT THE PARTNERSHIP MANAGEMENT AGENT'S SUPPORT TEAM VIA E-MAIL (OFFICE@STABLESONLINE.COM).

MANAGEMENT AGENT:

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StablesOnline.com Inc.



INTRODUCTION

StablesOnline.com Inc., a professional management company to be filed with the Delaware Division of Corporations, is pleased to announce the formation of the Partnership described herein, pursuant to the Partnership Agreement and Subscription Agreement incorporated herein. The Partnership features seven potentially exceptional thoroughbred racehorses, also to be specifically described in the Subscription Agreement. These select yearlings are believed to have the pedigree and conformation necessary to compete at the highest levels of the racing industry. (See Disclaimer of Warranty, herein).

The advent of off-track betting and inter-track wagering has increased the earning potential of all racing thoroughbreds. It is intended that the Partnership's horses will initially run at major racetracks in the United States in California, Florida, Kentucky and New York which have off-track and inter-track wagering. In addition to purse structure the Partnership's horses that are successful may yield additional returns through sale or retention of breeding rights as well as eventual sale of the horses themselves.

The horses to be included in the Partnership are yearling colts that have never been raced. These horses are to be purchased by the Partnership at the yearling sales leading public auctions scheduled for July, August and September, 2012, in Lexington, Kentucky and at Saratoga in New York.

Accordingly, with the potential of profit, there is significant risk. No estimate can be made as to whether or when a partner investing in the Partnership might receive a cash distribution from the Partnership.



SUMMARY

Purpose: Acquisition of seven thoroughbred yearling colts as specifically identified in the Subscription Agreement, for enjoyment and possible profit.

Term: The Partnership will commence on the earlier of November 1, 2012 or when all units have been subscribed and will terminate on December 31, 2014.

Capitalization: A total of \$2,500,000 to cover the purchase of the Horses and all expenses not covered by operating income during the Term.

Units: A total of (Ten thousand) 10,000 units at a cost of \$250 each. A unit represents 0.01% interest in the Partnership. Prospective partners are required to reserve for purchase any number of the units. Further, StablesOnline.com Inc., may elect to reserve and purchase units. Units purchased are payable in full upon signing the Partnership Agreement.

The Partnership will establish a working capital reserve fund to cover all expenses for the first twelve months' management of the seven Horses. Thereafter, all expenses incurred shall be deducted from capital reserve and the Horses' earnings.

THE SUBSCRIPTION PERIOD for contributions to the capital of the Partnership is currently open by reservation only (See Presale Delivery Instructions, herein). The subscription period will terminate on July 1, 2012 or earlier, if fully subscribed. Upon full subscription StablesOnline.com Inc., will furnish e-mail notice of same to each subscriber to purchase his/her units held in reserve.

Prior to the receipt of all capital contributions StablesOnline.com Inc., reserves the right to terminate the subscription period at its discretion by furnishing e-mail notice of same to each subscriber and by returning his/her funds.

The contributions to the capital of the Partnership will be received by StablesOnline.com Inc., and at such time will be recorded, deposited and held in trust in a Business Bank Account in the name of the Management Agent at Chase, New York, NY and/or First Citizens Bank, Wilmington, NC for the benefit of each subscriber. When all contributions have been received, the proceeds will be retained and shall be used only for the purposes set forth under "Sources and Uses of Proceeds", herein.



StablesOnline.com Inc., will make available to each prospective partner and his/her representative or advisor, any documents related to this transaction as well as the opportunity to ask questions via e-mail and receive answers via e-mail concerning any aspect of the Partnership.

Prospective partners should not construe the contents of this document as being legal, tax, accounting or expert advice. Each partner should consult with one's own counsel, accountant or other professional advisors as to all legal, accounting, tax and other matters.



DISCLAIMER OF WARRANTY

While StablesOnline.com Inc., believes that the horses in the Partnership will be currently racing sound, based upon recent veterinarian examination, there still cannot be any guarantee, express or implied, with respect to the ability or suitability of the horses for racing and/or breeding purposes. StablesOnline.com Inc., makes no warranty, express or implied, with respect to the proper physical condition, now or in the future, of the horses. The ownership and operation of thoroughbred horses is a highly risky and speculative business which may be impacted by a variety of factors, such as lineage, inherent medical problems affecting soundness, and diseases and injuries.

SUITABILITY - WHO SHOULD INVEST

An investment in this Partnership should be considered only by an investor who can afford to make high-risk, non-liquid investments. There is no public market now, nor is one expected to develop in the future, for the units in this Partnership. An investor should understand and be advised with respect to the lack of liquidity of the units and should have financial means which will permit him/her to assume the risks of a speculative, non-liquid investment.

Each investor must be able to bear the economic risk of investing in the Partnership. Participation constitutes an express warranty by the investor that the investor: 1) is acquiring the unit(s) for investment and not with a view to resale or distribution 2) is able to bear the risk of losing his/her entire investment in the unit(s), and 3) has adequate means for providing for his/her current and anticipated needs and personal contingencies, and does not anticipate in the foreseeable future any need to sell the unit(s), or to liquidate otherwise any investment made in the Partnership.



SOURCES AND USES OF PROCEEDS

US Currency

	2012
SOURCES OF PROCEEDS:	
1. Partners' Contributions	<u>\$2,500,000</u>
TOTAL SOURCES	<u>\$2,500,000</u>
USES OF PROCEEDS:	
2. Purchase of Horses	\$1,750,000
3. Estimated Operating Expenses	<u>750,000</u>
TOTAL USES	<u>\$2,500,000</u>
RESERVE FOR FUTURE EXPENSES	\$ 750,000 =====

ASSUMPTIONS

1. Ten thousand units of \$250 each.
2. Purchase of Horses from public auctions in Kentucky and New York. Allocated as shown specifically in the Subscription Agreement.
3. Estimated annual cost, see infra.



ESTIMATED ANNUAL OPERATING EXPENSES

US Currency

Training: \$80 per day per horse	\$204,400
Veterinarian: \$300 per month per horse	25,200
Blacksmith: \$100 per month per horse	8,400
Mortality Insurance: 5% per year per horse	87,500
Horse Transportation	14,000
Jockey Club Registration Fees (Allowance) - Miscellaneous, Colors/Silks, Tacks	3,500
Accounting, Legal, Printing	15,000
Stable View - Design/Implementation/Maintenance/Administration	75,000
Management Agent Fee: \$1,000 per month	12,000
Promoter Set Up Fee Organization/Marketing	200,000
Miscellaneous, and Operating Expenses Reserve	<u>105,000</u>
TOTAL	<u><u>\$750,000</u></u>

These are estimates only. However, so long as StablesOnline.com Inc., is the Management Agent, there will be no assessments for additional capital during the Term (ending December 31, 2014).

TAX CONSIDERATIONS

Under the US Federal tax law, the losses incurred by a general partner are treated as ordinary, rather than passive, losses only if the partner "materially participates" in the business of the Partnership. The material participation standard is applied to each partner individually and is very difficult to meet, requiring regular, continuous and substantial involvement in the Partnership's business activities. The Partnership Agreement provides that all decisions affecting the Partnership are to be made by the partners by majority vote or unanimous vote in some instances. In addition, frequent Partnership Internet meetings will be held which all partners are encouraged to attend, and during which detailed and accurate minutes will be kept in order to document each partner's participation. Each partner should consult with his/her own counsel to determine whether such Partner has met the material participation standard and to determine the overall tax aspects of an investment in the Partnership.

Since the existence of material participation is a factual question, the IRS may successfully assert that one or more of the general partners do not meet this standard. If this happened, the ordinary losses claimed by such partner would be re-characterized as passive losses. Regardless of a partner's active or passive income tax status during the life of the Partnership, all current and accumulated losses can be used as deductions against active income once the assets are sold.

The Internal Revenue Code provides that a taxpayer cannot deduct expenses of an activity which are greater than income from that activity if the activity is "not engaged in for profit." Thus, losses from an activity not "engaged in for profit"--a hobby--cannot be deducted against income from other sources. If an activity is engaged in for profit, losses are fully deductible against other income.

In determining whether an activity is engaged in for profit, all facts and circumstances are taken into account. Although a reasonable expectation of profit is not required, the facts and circumstances must indicate that the taxpayer entered into the activity or continued the activity with the objective of making a profit.

The acquisition cost of racehorses may be depreciated over a four year period if placed in service after age two and an eight year period if placed in service prior to age two. The Partnership intends to deduct currently its other expenses, including the Management Agent's fee. For further information contact the American Horse Council in Washington, D.C. for the current tax laws that are exhibited in the Horse Owners and Breeders Tax Handbook.



THE HORSES

THE HORSES ACQUIRED BY THE PARTNERSHIP, WITH THE PURCHASE ALLOCATION OF \$250,000 FOR EACH HORSE, SHALL BE DESCRIBED IN THE MATERIAL FOLLOWING THE SUBSCRIPTION AGREEMENT AND INCORPORATED THEREIN. AT SUCH TIME EACH HORSE SHALL BE FEATURED IN "STABLE VIEW", HEREIN.

MANAGEMENT AGENT

StablesOnline.com Inc., and its principal have been involved for over thirty-five years in virtually every aspect of the thoroughbred racing industry. It is intended that StablesOnline.com Inc., provide a prominent professional team of agents and veterinarians who shall be involved in the selection and purchasing process of each yearling as well as providing experienced professional management in arranging, coordinating, monitoring and evaluating all of the operations in the horses' careers. StablesOnline.com Inc., may be removed as Management Agent by vote of a majority in interest of the Partners. StablesOnline.com Inc., fee for management is one thousand dollars (\$1,000) per month. StablesOnline.com Inc., will provide, without limitation, the following services:

1. Provide, via e-mail, all Partners with a password for access to, and use of "Stable View".

Stable View is the Partnership's exclusive interactive web page dedicated to bringing to each Partner a favorable combination of facts, circumstances, time and place to effectively participate online in the sport of Thoroughbred horse racing for enjoyment and potential of profit - from the comfort of his/her personal computer.

(* Indicates that information relative to this subject will be available via Stable View).

- *2. Maintain the Partnership bank account.
- *3. Engage trainers, veterinarians, jockeys, farriers and other administrative staff.
- *4. Obtain liability insurance and mortality or loss of use insurance.
- *5. Schedule and maintain records of Partnership voting and Internet meetings.
- *6. Provide audio, video, replays, web cams, photographs and monthly reports on the status of the

Partnership's horses.

- *7. Provide for the preparation of quarterly financial statements and annual Partnership tax returns prepared by independent certified public accountants.

- *8. Maintain licensing and registration records to ensure racing eligibility.
- *9. Provide all partners of race scheduling, watch and wager convenience and results.

All major business decisions regarding the horses will be subject to decision of the partners by vote of a majority in interest. In the event the Partners do not concur in any decision of the Management Agent, they may



terminate the Management Agent's contract, provided that such termination acts to also terminate any future obligation of the Management Agent to fund operating deficits during the initial term of the Partnership.

The Management Agent may purchase units in the Partnership.

The Partnership will retain the services of an appropriate leading trainer for horses determined to be best suited for racing in California, Florida, Kentucky or New York as well as in those cases where it is determined to train and/or race a Partnership horse in other parts of the United States and/or Australia, Dubai, Europe and Japan.

The training rate is estimated at eighty dollars (\$80) per day. This is believed to conform to the national average and is intended to assure the finest quality in care. This rate basically includes the cost of training, boarding at the track, feed, general care and grooming. In addition to the trainer's per day rate, the trainer also receives ten percent (10%) of the horse's purse earnings, when the horse finishes first, second or third.

The Management Agent and/or the trainer will secure the services of a jockey to ride the Partnership's horse in a race. A jockey is paid a nominal fee to ride the horse. The fee depends on the racetrack where the race is held, the amount of the purse and the finish position of the horse in the race. Each racetrack is different with respect to jockey fees and each publishes its own fee schedule. When a horse wins a race (first place finish), in lieu of a flat riding fee, the jockey is generally paid ten percent (10%) of the horse's gross purse earnings. At some racetracks, the jockey does, in fact, receive a percentage of the purse even if the horse does not finish in first place, the percentage varying from racetrack to racetrack.

In addition, in most cases, when a horse wins a race, a "stable bonus" is given to the horse's groom and/or barn help. The bonus is not a fixed figure, but generally, it is one hundred dollars (\$100) for winning any type of race other than a stakes race. If a horse wins a stakes race, the stable bonus could be as high as two percent (2%) of the horse's gross purse earnings for a first place finish, or somewhat lower for finishes second through fifth place.

To the extent possible, the Management Agent will endeavor to obtain for each partner all special privileges afforded to owners at a particular racetrack upon their request via e-mail.



PARTNERSHIP AGREEMENT

PARTNERSHIP AGREEMENT made as of November 1, 2012 (this "Agreement") by and among each of the persons executing this Agreement (singly referred to herein as "Partner" and collectively referred to as "Partners") as set forth in the Partnership Subscription Agreement and Signature Page (the "Subscription Agreement") attached hereto and incorporated herein by this reference.

The Partners hereby form a general partnership, that is a Delaware special form of general partnership known as a limited liability partnership (the "Partnership") on the terms and conditions set forth in this Agreement.

I. PARTNERSHIP OBJECTIVES

The Partnership's business purpose will be to acquire, own, manage, train, race, syndicate for breeding purposes and ultimately sell the seven (7) thoroughbred horses identified in the Subscription Agreement attached hereto.

The Partnership's principal objectives are: 1) to preserve and protect the partners' contributions, 2) to obtain capital appreciation through increases in value of the Partnership's horses, 3) to operate a viable and profitable business, which includes the racing of the horses, 4) to provide distributions of net cash flow, if any, to each Partner, and 5) to provide the Partner with an opportunity to participate in the sport of thoroughbred horse racing.

THERE IS NO ASSURANCE THAT THE PARTNERSHIP WILL BE SUCCESSFUL IN ATTAINING ANY OF THESE GOALS AND OBJECTIVES.

II. NAME AND OWNERSHIP INTERESTS

The Partnership name is as specifically shown in the Subscription Agreement.

Ownership of the Partnership will be divided into Ten thousand (10,000) equal units, each unit representing 0.01% ownership. Each unit shall require a capital contribution of Two hundred, fifty Dollars (\$250). Profits and losses shall be allocated and available cash distributed based on each Partner's percentage of ownership interest.

III. PARTNERSHIP TERM

The Partnership Term shall commence on the earlier of November 1, 2012 or when all units are fully subscribed and shall terminate on December 31, 2014. The Partnership may terminate prior to the end of its stated Term, 1) in the event the horses are sold and/or syndicated for breeding purposes, 2) upon the resignation, dissolution or insolvency of the Partnership's Management Agent unless a majority in interest of the Partners elect a new Management Agent on such terms as they deem advisable, and 3) sixty (60) days subsequent to an election by the Partners owning not less than a majority in interest to terminate this Agreement.

The termination date of the Partnership Term is intended as a review period for all Partners to determine the future disposition of the horses. Upon termination of this Agreement, the assets held hereunder shall be distributed in cash or in kind to each of the Partners in proportion to his/her ownership percentage. In the event the Partners are unable to agree as to the manner in which any distribution in kind shall be made, the Partnership's Management Agent shall sell the horses and distribute the proceeds to each of the Partners, after payment of all Partnership expenses and outstanding debts, in proportion to his/her ownership percentage. In the event the Partners, by vote of majority in interest, elect to continue the Partnership, no Partner may have his/her interest forfeited or diminished as a consequence of such continuation nor shall any partner's interest be subject to calls for additional capital unless all Partners shall agree thereto.



IV. OPERATING EXPENSES

The Partners' capital contributions include an amount estimated to cover the initial twelve (12) months' operating expenses with respect to care, maintenance, racing and sale of the horses incurred in furtherance of the objectives of the Partnership. Prior to termination of the Partnership Term, no additional capital is anticipated to be required since it is anticipated that any expenses incurred also be deducted from any earnings or sale proceeds of the horses. If in the event the sums accumulated from reserves or from earnings or sale of horses is not sufficient to cover these expenses prior to the end of the initial Partnership Term, the said expenses are the responsibility of StablesOnline.com Inc., so long as it is then operating as Management Agent. However, should StablesOnline.com Inc., be removed by vote of the Partners as Management Agent as herein provided, its responsibility to fund operating deficits shall thereupon be fully extinguished. In the event the Management Agent does not fulfill its obligations hereunder, or in any other instance requiring possible additional capital contributions by the Partners, the Partners shall decide by unanimous vote via e-mail whether to make capital contributions to cover any shortfall. In the event the Partners cannot agree unanimously, the Partnership shall sell the horses and dissolve.

V. LICENSING

Each Partner shall take such action as shall be deemed necessary to become and remain a licensed owner within the rules of racing of the Jockey Club and/or any state racing commission of any jurisdiction in which the horses may race.

Where the Management Agent deems it necessary, the horses will race in the name of STABLESONLINE RACING STABLE under leases entered into for racing purposes only between STABLESONLINE.COM INC., and the Partnership. The Partnership will appear as the licensed owner of the Partnership's horses and a result of winning a race and/or industry recognition will be permanently retained by the Partnership. However, whenever and wherever possible, if desired, the Partnership will attempt to acquire duplicate awards for each Partner. The cost of acquiring same will be borne by each Partner individually, and the cost will not be charged to the Partnership.

VI. PARTNERSHIP MANAGEMENT

The Partners may elect, by vote of a majority in interest, a Management Agent for the Partnership (the "Management Agent") to assist the Partners in the conduct of the daily business of the Partnership. The Management Agent shall be required to accept in writing the duties, rights and responsibilities of the Management Agent hereunder. StablesOnline.com Inc., is hereby designated as the initial Management Agent. At minimum the Partners shall review the performance of the Management Agent once every two weeks by way of the Partnership's Exclusive Interactive Web Page (hereinafter referred to as "Stable View"). Any Management Agent may be replaced upon vote of a majority in interest of the Partners and sixty (60) days prior written notice via e-mail to the Management Agent. Any Management Agent may withdraw upon ninety (90) days prior written notice via e-mail and/or Stable View to the Partnership. At any time that no Management Agent is appointed and acting, the Management Agent's responsibilities shall be carried out by the Partners by majority vote via e-mail and/or Stable View. Further, the Partners may, in order to facilitate the conduct of such business, designate from among their number a managing Partner to carry out some or all of the responsibilities of the Partners and the Management Agent as may be determined by the Partners.

Except as otherwise provided, the daily business of the Partnership shall be conducted in the name of the Partnership by the Management Agent on behalf of the Partners.

Each Partner expressly authorizes StablesOnline.com Inc., as the initial Management Agent, to make all day-to-day decisions with respect to the horses' racing careers, including, but not limited to, decisions relative to who shall train the horses, where (at which racetracks and in what classes of races) and when the horses will race, where the horses will be boarded, what veterinarians shall be engaged to attend the horses, which jockeys will be used, and if necessary in Management Agent's discretion, to determine when the horses should be retired from racing and/or sold, or destroyed if necessary, prior to the termination of the Partnership.

The Management Agent is further authorized to act as an agent in the purchase and sale of the horses, either privately or at a public auction, and is authorized to transfer the horses to the purchaser thereof in accordance with the aforementioned terms.



The Management Agent shall have the authority and power on behalf of the Partnership: (a) to open, maintain and close bank accounts; (b) to sign checks and/or order wire transfers (except as otherwise provided, any check and/or wire transfer in an amount greater than \$15,000 must also be signed and/or approved by a Partner who shall be designated for such purpose by vote via e-mail of a majority in interest of the Partners); (c) to take actions in connection with qualifying the horses to race; and (d) generally to act for the Partnership in all matters incidental to the foregoing and to the day-to-day routine operations of the Partnership.

Except in those instances in this Agreement where a unanimous vote by the Partners is required to ratify a decision, all decisions of the Partnership shall require a majority vote of 51% in percentage interest for such a decision to be final. Since in many instances time will be of the essence, any vote and/or communication of the Partners may be done by e-mail, Stable View, fax, mail, telegram or telephone at the discretion of the Management Agent, and a deadline for response may be imposed by the Management Agent.

VII. MANAGEMENT SERVICES

In addition to the services set forth above, Management Agent will provide the following described services to the Partnership. There may be other services that will be afforded the Partnership and Partners, and same are not necessarily listed below:

1. Furnishing Stable View, which will include a password for exclusive access to all Partners.
2. Furnishing experienced and competent personnel to acquire, train and care for the Partnership's horses.
3. Furnishing complete accounting and bookkeeping services, which will include the maintenance of all records regarding all payments made on behalf of the Partnership. Furnish each Partner, on a quarterly basis, a financial statement advising as to the income and disbursement of Partnership funds via Stable View. On a semi-annual basis, each Partner will receive, if any, his/her share of the Partnership's net profits (gross income less all operating expenses).
4. For administrative and bookkeeping convenience, the Management Agent may serve as the paying agent for the Partnership, but shall not commingle any Partnership funds with any other accounts.



The Management Agent will endeavor to assure that the fees charged the Partnership for maintaining and racing the horses, as well as other associated expenses, will be competitive with those customarily charged throughout the thoroughbred industry, taking into consideration the geographical location of the Partnership's base of operations and the sites of training. However, there is no assurance that in every instance the charges will be as favorable as those available from other persons offering similar services. It is the intention of the Management Agent to utilize the services and facilities that it believes will best serve the needs of the Partnership, even though somewhat less expensive comparable services and facilities may be available elsewhere.

5. Furnishing as required, periodic reports pertaining to general matters concerning the Partnership, progress reports on the horses' training, watch and wager convenience, video, replays, web cams, race results charts, photographs and similar information via Stable View.

6. Management Agent will furnish each Partner the required income tax information within ninety (90) days of the end of the calendar year via Stable View. The Management Agent will not be responsible for the preparation and submission of a Partner's personal income tax return.

7. Management Agent will utilize the services of a Certified Public Accountant (the "CPA") to prepare the required tax returns for use via Stable View by the Partners to prepare their personal income tax returns, as well as the Partnership's annual financial statement. The semi-annual financial statement will be prepared and provided via Stable View to each Partner by the Management Agent with no additional compensation, however, all fees paid to the CPA will be paid from Partnership funds. From time to time, it may be necessary for the Management Agent to secure the services of others (i.e. legal representation, consultants, etc.) to assist in conducting the Partnership's business. The fees paid directly for the performance of such services directly related to conducting the Partnership's business will be paid from Partnership funds.

8. Management Agent will furnish information to each Partner regarding when and where the Partnership horses will be racing via Stable View. It is generally only known 48 hours (2 days) before the actual race date when the horse will race. The exception to this is when the horses are scheduled to compete in a stakes race, in which event the time element is generally longer than the 48 hours.

With respect to the outcome of a race, each Partner will have the race results available generally the same day of the race via Stable View.

9. The Management Agent will maintain, on behalf of the Partnership, with the premium paid from Partnership funds, an insurance policy to provide proper coverage for the Partnership, proper coverage for the horses, and proper coverage for people or property in connection with the Partnership or horses, when applicable. The policy shall include: (a) liability insurance and (b) mortality insurance on the Partnership's horses, subject to acceptance by an insurance company.

The mortality insurance policy will be in an amount equal to the cash purchase price of the horse and/or the current market or appraised value of the horse. Management Agent will endeavor to obtain such insurance at standard industry rates for the type of insurance placed.

10. Management Agent, or a designated representative of Management Agent, will attend the races each time the Partnership's horses are scheduled to race to assure that all is in order.

VIII. MANAGEMENT COMPENSATION, FEES AND OTHER EXPENSES

The following sets forth the amounts and types of all fees, compensation, profits, reimbursement of expenses and other benefits which the Management Agent will receive in connection with its managing of the Partnership for the full term of the Partnership.

The Management Agent will receive a management fee of One Thousand Dollars (\$1,000) per month. The monthly management fee that will be paid to the Management Agent does not include certain expenses that will be required to conduct the Partnership's business. The Management Agent will be reimbursed for expenses incurred on behalf of the Partnership for travel and/or lodging, telephone bills, postage and printing. All reimbursable expenses are accountable to the Partnership.

Management Agent shall be responsible for the sale of the Partnership's horses, and shall be entitled to an agents fee upon the sale of the horses in the amount of five percent (5%) of the gross sales price of each horse.

In the event the Partners receive, in the aggregate, his/her share of the Partnership's net profits equal to their entire investment in the Partnership, the Management Agent's share of net profits from the Partnership shall increase from zero percent (0%) to twenty percent (20%), and the Partners' interest will decrease from one hundred percent (100%) to eighty percent (80%). In the event that the Partners receive his/her share of the Partnership's net profits



equal to twice their entire investment in the Partnership, the Management Agent's share of the net profits shall increase from twenty percent (20%) to forty percent (40%), and the Partners' interest will decrease from eighty percent (80%) to sixty percent (60%). The share of net profits shall be paid when the consideration is received by the Partnership.

Other miscellaneous expenses that may be encountered by the Partnership are, but are not limited to the following:

1. Winners circle photographs: each time the Partnership horse wins a race, each Partner may download the image via Stable View; the Management Agent, trainer and groom will each receive one (1) photograph. The cost of these photos will be paid from the Partnership funds. Additional photographs will be available to each Partner, however, the cost of these additional photos will be paid by each Partner requesting same (via their e-mail request).

2. Racing DVD's: most racetracks throughout the country sell racing DVD's for each race run at their facility. Management Agent will attempt to make these DVD's available to each Partner at the expense of the Partner (via their e-mail request).

IX. CONFLICTS OF INTEREST

Each Partner acknowledges that the Management Agent will continue to be otherwise engaged in the thoroughbred business as the Management Agent or General Partner of other racing partnerships, as well as, on occasion, racing horses for its own account (generally in the name of STABLESONLINE RACING STABLES). The Partners further acknowledge that during the full term of this Partnership, the Management Agent will continue to pursue its endeavors in the thoroughbred industry.

The Management Agent will devote, in its reasonable opinion, the time and effort required to the pursuit of the Partnership's goals and/or objectives as described in this Agreement. None of such other activities in the thoroughbred industry shall be considered to be, nor shall same constitute the basis of any claims, if any, of conflict of interest on the part of Management Agent by any Partner.

X. RIGHTS OF FIRST REFUSAL AND TRANSFERABILITY OF SHARES

Partners' units may be sold, transferred, assigned, alienated or disposed of only as follows:

1. The Management Agent shall have the right of first refusal for the purchase of any units which any Partner may at any time desire to sell. Then, if the Management Agent declines the opportunity to purchase the available unit(s), the Partners will have the right of first refusal. Accordingly, a Partner who receives an offer for the sale of his/her unit(s) which he/she is willing to accept, shall promptly notify the Management Agent, in writing via e-mail, of the name of the offeror, the amount of such offer and the terms and conditions of sale.

2. Upon receipt of the notice of offer by the Management Agent, it shall have ten (10) days from the date of such notification within which to elect to acquire the unit(s) at the price, terms and conditions of the written offer. If the Management Agent declines the opportunity via e-mail, the unit(s) will then be offered to the other Partners via Stable View for a period of ten (10) days. If more than one of the other Partners should be interested in buying the available unit(s), the Management Agent will hold a drawing to determine who shall be allowed to purchase same.

3. If the Management Agent and/or the Partners elect via e-mail not to purchase the unit(s) being offered for the price, terms and conditions as outlined in the written notice, then the unit(s) shall be freely alienable if, and only if, the sale is made by the seller at the price, terms and conditions as originally outlined in the written notice. Such sale shall be closed within sixty (60) days from the time Management Agent gives the selling Partner notice via e-mail that the Partner is free to sell the unit(s) to a third party. In the event that the closing does not take place within such sixty (60) day period, the right of first refusal must be re-instituted prior to any sale of unit(s).

4. The death, incompetence or bankruptcy of a Partner shall not dissolve or terminate the Partnership. In the event of any of the aforementioned events, the representative of the Partner shall be deemed to be the assignee of such Partner's interests and may become a substituted Partner upon the execution of this Agreement. The representative of the former Partner then shall be liable for his/her liabilities and/or obligations to the Partnership as a Partner.

5. Neither this Agreement nor any interest of the parties herein may be assigned, pledged, transferred or hypothecated except as herein provided.

XI. INDEMNIFICATION OF PARTNERS AND MANAGEMENT AGENT

The Partnership shall indemnify and save harmless the Partners and Management Agent for any loss, damage or expense incurred by any of them by reason of any act or omission to act on behalf of the Partnership performed by any of them in good faith and without gross negligence. Any expenses incurred in defending any civil or criminal action, suit or proceeding (or the threat thereof) relating to any of the Partners or Management Agent which is based, in whole or in part, upon any alleged act or omission to act on behalf of the Partnership shall be borne and paid by the Partnership in advance of the final disposition of such action, suit or proceeding (or the threat thereof) upon receipt of any undertaking by or on behalf of the Partner or Management Agent involved to repay to the Partnership the amount of such expenses if it shall ultimately be determined that indemnification and saving harmless is not authorized under this section.

XII. MISCELLANEOUS

1. No contract or transaction between the Partnership and any one or more of its Partners, or between the Partnership and any corporation, other partnership, association or other organization in which any one or more of the partners are directors or officers, or have a financial interest, shall be void or voidable solely for this reason or solely because the Partner(s) is present at, or participates in, a meeting of the Partnership which authorizes the contract or transaction, or solely because his/her or their votes are counted for such purpose, if the material facts as to such Partner's relationship or interest and as to the contract or transaction are disclosed and or are known by all of the Partners and such contract or transaction is fully comparable to similar contracts or transaction between unrelated parties.

2. Each of the Partners covenants that neither he/she nor his/her heirs, executors, administrators or personal representatives, or any person or persons claiming through or under him/her, will file a bill for partition of the Partnership property.

3. Except as otherwise provided, any notices and other communications pursuant hereto shall be in writing and shall be deemed to have been given when delivered or mailed by first-class mail, registered or certified,



postage prepaid, addressed as follows: (a) if to any Partner, at the last known address of such Partner; and (b) if to the Partnership, at its email address office@stablesonline.com, which shall initially be the interactive office of the Management Agent. Any notice may be waived in writing by the Partner entitled to receive it.

4. This agreement may not be amended nor shall any waiver, change, modification, consent or discharge be effectuated, except by an instrument in writing executed by or on behalf of the party against whom enforcement of any amendment, waiver, change, modification or discharge is sought.

5. This Agreement may be executed in counterparts (each of which need not be executed by each of the Partners), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and in pleading or proving any provision of this Agreement, it shall not be necessary to produce more than one of such executed counterparts and its corresponding (a) e-mail reservation transaction receipt from StablesOnline.com Inc., (b) Cashier's Check receipt; Money Order receipt; or, Wire Transfer original advice of debit receipt (c) e-mail purchase transaction receipt from StablesOnline.com Inc.

6. Any waiver of any terms or conditions of this Agreement shall not operate as a waiver of any other breach of such terms or conditions or any other term or condition, nor shall any failure to enforce any provision hereof operate as a waiver of such provision or of any other provision hereof; provided, however, that no such written waiver, unless it, by its own terms, explicitly provides to the contrary, shall be construed to effect a continuing waiver of the provision being waived and no such waiver in any instance shall constitute a waiver in any other instance or for any other purpose or impair the right of the party against whom such waiver is claimed in all other instances or for all other purposes to require full compliance with such provision. Each of the Partners agrees to execute all such further instruments and documents and to take all such further action as any other Partner may reasonably require in order to effectuate the terms and purposes of this Agreement. The Partners agree that this Agreement, including all schedules and exhibits hereto, constitutes the entire agreement among them with respect to the subject matter of the Partnership and supersedes all prior agreements understandings between them as to such subject matter; and there are no restrictions, agreements, arrangements or undertakings, oral or written, between the Partners relating to the Partnership which are not fully expressed herein.



7. This Agreement shall be governed by and construed and enforced in accordance with the laws of the state of Delaware, USA. This Agreement shall bind and inure to the benefit of each of the Partners and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written as evidenced by their execution of the Partnership Subscription Agreement and Signature Page attached hereto and incorporated herein by this reference.



(SAMPLE)

StablesOnline.com 2012 RACING PARTNERS

PARTNERSHIP SUBSCRIPTION AGREEMENT AND SIGNATURE PAGE

This Partnership Subscription Agreement and Signature Page, made and entered into this _____ day of _____, 2012, by and between: StablesOnline.com Inc., (hereinafter referred to as the "Management Agent"), as agent for StablesOnline.com 2012 RACING PARTNERS, a limited liability partnership (hereinafter referred to as the "Partnership").

AND

Undersigned, whose name and address is shown below, (hereinafter referred to as the "Partner") and a co-owner in the Partnership together with other subscribers to the Partnership who execute counterparts of this "Partnership Subscription Agreement and Signature Page."

WITNESSETH:

Whereas, the Partnership is organized pursuant to the Partnership Agreement dated November 1, 2012 to acquire the following described thoroughbred horses (hereinafter referred to as the "Horses"):

Colt:	Colt:
Sire:	Sire:
Dam:	Dam:
Purchase Allocation: \$250,000	Purchase Allocation: \$250,000
Colt:	Colt:
Sire:	Sire:
Dam:	Dam:
Purchase Allocation: \$250,000	Purchase Allocation: \$250,000



Colt:

Sire:

Dam:

Purchase Allocation:
\$250,000

Colt:

Sire:

Dam:

Purchase Allocation:
\$250,000

Colt:

Sire:

Dam:

Purchase Allocation:
\$250,000

Whereas, Partner desires to purchase fractional ownership interests consisting of _____ Units (each unit being a 0.01% interest in the Partnership, for a capital contribution of \$ _____ {\$250 per unit}, the receipt of which is hereby acknowledged) in the Partnership and to form a partnership to govern the ownership of the horses for the benefit of each Partner.

Whereas, Management Agent is and has been engaged generally in the thoroughbred industry and is experienced in the purchase, maintenance, racing and sale of thoroughbred racehorses, and Partner desires to employ the Management Agent as authorized agent for the purposes and upon the terms and conditions provided in the Partnership Agreement, which employment the Management Agent has agreed to accept.

NOW THEREFORE, in consideration of the mutual covenants and agreements of the parties thereto as hereinafter set forth, Partner by execution hereof does hereby execute the Partnership Agreement and covenants and agrees that he/she shall be bound by the terms of the Partnership Agreement set forth in the Memorandum, of which this Subscription Agreement is a part.

Partner hereby acknowledges that he/she has reviewed the Memorandum and Partnership Agreement attached hereto and has had the opportunity to ask the Management Agent any questions which the Partner has concerning the transactions described therein. The Partner acknowledges that he/she understands the financial risks associated with the transactions described in the Memorandum.



COUNTERPART PARTNERSHIP SUBSCRIPTION AGREEMENT AND SIGNATURE PAGE TO
StablesOnline.com 2012 RACING PARTNERS PARTNERSHIP AGREEMENT

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands as of the day and year first above written.

MANAGEMENT AGENT:

PARTNER:

StablesOnline.com Inc.

Signature

Name (Please Print)

Address

City, State, Country, Zip Code

Telephone, Fax and e-mail Address

Date of Birth, S.S.#