

## Frequently Asked Questions

The following are the most commonly asked questions by prospective investors, who may wish to further explore a

Thoroughbred Racing Partnership with Locker Racing Stables, LLC. (Updated 7/02/08)

Q: How many times a year can I expect my horse to race?

A: A healthy horse will start approximately Twenty times over the course of a year. Horses race year round, with

the occasional time off for some well deserved rest.

Q: How is ownership divided between multiple owners of the same horse?

A: Normally, the offering is for 10% shares of co-ownership of a thoroughbred racehorse. Shares are sold in the price range of \$500 and up, for claiming / allowance caliber horses, all the way up to graded stakes horses. Partnerships can also be formed to acquire a specific horse.

Q: How does an owner receive purse winnings ?

A: Once the racetrack releases the purse winnings from the race, which is normally within a week, the owners will be mailed a check from Locker Racing Stables LLC, based on their percentage (%) of ownership in the horse. If an owner owned a 10% share in the horse, they would receive 10% of the horse's purse winnings. If the owner owned a 20% share of the horse, he / she would receive 20% of the winnings, etc.

Q: Are there tax advantages for an investor in a Locker Racing Stables partnership?

A: Yes, there are several business expenses that are able to be written off on your taxes, such as your monthly invoices, license fee, etc. We recommend that you consult your tax person for more information.

Q: What privileges am I entitled to as a partner of Locker Racing Stables?

A: As an owner, you may visit the backstretch to see your horse in the stable at any time, on the training track and in the paddock before a race. You will also receive free clubhouse passes, free racing programs and preferred parking in the "Owners" lot, at tracks that offer preferred parking, such as Churchill Downs, Keeneland, etc. An owner also will not have to pay any entrance fees into any Kentucky track, which charges a fee, such as Churchill Downs and

Keeneland.

Q: What does it mean to "Claim" a racehorse?

A: The majority of thoroughbreds racing today are "claiming horses". A "claim" of a racehorse can occur in any race in which the horse is in a race for a "tag". Basically, if the trainer indicates he is going to "claim" a horse for a partnership, it means that he is going to "purchase" a racehorse at a track, in a claiming race. As soon as the starting gate opens, and the horse exits the gate, the horse belongs to the partnership.

The claiming process is the heart of the thoroughbred racing industry, since this is the most common way a horse is acquired.

Q: How do I leave a partnership if for some reason I desire to?

A: To leave a partnership you simply contact the Managing Partner, which is the trainer at Locker Racing Stables.

The Training Agreement Document, which each owner is required to sign, explains the necessary steps required to terminate your ownership. Essentially, the Managing Partner may purchase your shares from you, or another owner in the partnership would have the opportunity to purchase your shares.

Q: What can I expect to pay for the monthly maintenance costs for a thoroughbred racehorse?

A: The monthly maintenance costs associated with training, feeding and the general care for a racehorse, will cost an owner who owns a 10% share of the horse, approximately \$210 - \$230 a month. A lot of time and effort is spent in providing the best nutrition, and bringing the racehorse to top condition in order to deliver a satisfactory financial return for our horse owners.

Q: How can I determine which racing partnership is right for me?

A: The most important thing to remember in this type of business is that the larger your initial investment, the greater chance you have of earning a profit. It costs the same to maintain a solid \$10,000 - \$30,000 horse, who races in larger purse races, and typically earns far more money in his career, as it does to maintain a less expensive \$5,000 horse. The desired caliber horse(s) that Locker Racing Stables pursues, races for purses of around \$10,000 - \$50,000

plus, depending on the type of race and which track the horse(s) race at. For example, an allowance race at

Keeneland race track, will be in the range of \$30,000 - \$50,000 +/- per race. In a normal situation, you should have

a horse in a race approximately every 14 to 20 days, which means each Partnership could be competing for \$20,000

to \$60,000 +/- per month, in purse money.

Q: Are their risks involved in this type of investment?

A: Like any business or investment option, there are risks involved in owning thoroughbred racehorses. But risks can

also bring high rewards, both monetary and emotionally, for thoroughbred racing is one of the most exciting sports in

the world. Once you become a winner and feel the emotional high in the moments of victory, you'll experience a

feeling that you have never felt before. You have to experience it to really appreciate it.

Additional FAQs Will Be Added Soon.

This question and answer section will be continuously updated to better assist our clients and site visitors.