

## General terms

1. Members acknowledge that participation in the racing syndicate is for fun and friendship purposes, and that although it may result in a financial return, there is no guarantee that this will be the case.

2. Members acknowledge that whilst participating in the racing activities of the BHA, Jockey Club and the regulated syndicate, that they will be subject to and the BHA rules and processes and explicitly to, chapters (J) Integrity, and (L) BHA investigations and disciplinary processes and actions. Members must take the time to fully acquaint themselves with these rules.

3. In the case of a leased horse, members may participate in the lease scheme in 2.5 % units up to a maximum of forty (40) units/shares and a member may lease any number of units/shares.

4. In the case of outright purchases, members may purchase shares in a horse in 2.5 % units up to a maximum of forty (40) units/shares, and a member may purchase any number of units/shares.

5. Once a shareholder has purchased or leased a share/s he/she will receive a welcome pack which will include a certificate of ownership or lease and share percentage owned or leased.

6. In the case of a purchase of a share/s, the initial upfront capital cost payable covers the purchase price of the horse and incidentals i.e., sales company commission, agents commission insurance, registration, Weatherby's, and any other incurred/able costs. The agents commission levied will be allocated as follows;

a) 5% to registered agent acting for the syndicate

7. The monthly training fee payable per share/s purchased or leased is calculated from the date of purchase or lease, and is payable to the Syndicate manager on the last day of every month, and is set at £75 per month, per 2.5% share, and is all-inclusive to cover training fees, Jockey Club health costs, BHA and Weatherby's charges, (Except Group race charges, or extraordinary race charges in which instance, the majority of shareholders will decide on entry and payment charges), jockey fees, transport costs to UK tracks, routine veterinary costs, excluding major operations, which if necessary, will be agreed in advance by the majority of all members. (Unless life threatening in which case the decision will be at the discretion of the trainer in consultation with the attending veterinary surgeon, and the trainer will as soon as possible thereafter communicate the instance to the Syndicate manager, for advice to all members, and the insurance company concerned.

8. Quest thoroughbreds shall insure all participating horses on behalf of all syndicate owners and shall be responsible for conducting all insurance related administration and claims with the appointed insurance company.

The Syndicate Manager will keep all syndicate owners apprised of any insurance claims lodged, and or payment settlements, and shall account to the shareholders accordingly.

9. The share ownership or lease will continue without interruption for the duration of the horses racing career, or specified lease period, and will terminate in the event of,

- any shareholder wishing to dispose of his/her share unit/s, must transact the change through the medium of the syndicate manager by giving 30 days-notice of intention to do so. The

syndicate manager will register such changes and will facilitate any sale or purchase between exiting and or new members to the syndicate.

A horse's racing career terminating, and consequent disposal of the horse through a sales company, or by or private treaty, as agreed to by a simple majority of members. The syndicate manager will disperse of the horse accordingly and the net proceeds of the sale will be distributed to all current owners based on their current share ownership.

The lessor and lessees of a horse may by mutual agreement terminate a lease earlier than the specified period subject to the commissions payable in clause ten (10) hereof.

In the event of a horse being unsaleable after its racing career for any reason, the syndicate manager will advise all members accordingly, and the syndicate manager will take all necessary steps to place the horse in a suitable retirement environment.

#### 10. Dispute resolution

Should any dispute arise concerning any of the conditions of this agreement, the matter will, in the first instance, be attempted to be resolved between the complainant and Syndicate Manager, and failing this, it will be referred to an independent person/body, agreed to by both parties, for a hearing and resolution, which the resolution will be final and binding on both parties.

#### **Offers to purchase and sale of syndicated horse's**

10. In the event of the syndicate manager receiving an offer of purchase from any source, he will immediately communicate this offer to all shareholders, who will then by majority vote and decide on the method and disposal of the horse. The syndicate manager will manage the disposal of the horse and any proceeds from the sale will be subject to a commission of, 5% for the Syndicate, and 5% for the current trainer. (Total 10%) The balance of any proceeds from the sale will be dispersed by the syndicate manager to all members based on their pro-rated ownership or shareholding.

11. The same commission structure, as above, will apply and be payable in the case of an early lease termination of a horse leased and where the lessor has accepted an early offer of purchase for the horse leased.

12. From the monthly training fee of £75 per month, a fee of £21 pounds per share, will be retained by the Syndicate Manager in the syndicate account for the purposes of administering the syndicate and paying for the fees and charges indicated in paragraph 3 above and will also include a monthly remuneration of £300 per horse managed by the syndicate manager.

13. The Syndicate Manager will provide an annual financial statement of all transactions related to the syndicate reflecting any profit for distribution. The annual financial statement will reflect all payments made by the syndicate, all stakes earned, insurance proceeds and any sale transactions completed. The financial year of the syndicate will run from the 1 January until the 31 December of each year, and financial statements must be produced to members within 90 days of the close of the financial year.

14. The Syndicate Manager will place the horses with Dylan Cunha Racing Ltd and he shall at all times ensure that that members are fully apprised of all events and racing activities.

15. The Syndicate Manager must ensure that all accounts and payments of the syndicate are levied, collected, and or paid timorously, and it is his responsibility to make a non-payment report in the prescribed manner to the BHA in respect of any delinquent payments.