

Syndicate Agreement – Geegeez.co.uk National Hunt Syndicate – September 2014 – 4yo Bienamado x Fairpark

Introduction

Consent of the terms of this agreement is a pre-requisite for acceptance into the geegeez.co.uk National Hunt horse syndicate, July 2014.

The below conditions outline how the syndicate will be run; payment terms; returns on investment; and the syndicate exit strategy.

Terms and Conditions

1. Ownership shares

There will be twelve (12) equal shares in the syndicate, each representing a 8.33% holding in the horse. The shares will cost £1,250 each, meaning an initial fund of £15,000.

2. Voting Rights

Each share carries a single vote in matters requiring such recourse. In the event of a tied vote, the syndicate manager (Matt Bisogno) shall have the casting vote.

3. Length of term

It is intended that the partnership will retain the horse for a period of three years or more.

However, the partnership will run for an initial term of TWO (2) years, from 21st September 2014. At the end of this initial term, members will review matters and vote on whether to retain or dispose of the horse.

If a majority wish to dispose of the horse, a valuation will be sought pre-sale. All members will receive an equal share of the sale price, less associated expenses.

If a majority wish to continue with the horse, the remaining partners will have right of pre-emption. That is, remaining partners will have first option to buy outgoing partners' shares at a pro-rated fraction of the horse valuation. Each share will be sold for 8.33% of the valuation.

The same right of pre-emption will apply in the advent of death or default of a partner.

4. Owner Registration

The syndicate will be run as a Racing Partnership. This requires a minimum of two (2) partners to be registered. The syndicate manager is one of the registered partners, and the other is to *be determined*, also a member of the syndicate.

5. Operational Management

The syndicate manager, in conjunction with the trainer, will be responsible for the operational management of both the syndicate and the horse.

Major decisions will require a vote among syndicate members, and the voting rights of 2. above will prevail.

6. Accounting Facilities

Geegeez.co.uk already has a Weatherby's account and a sub-account. The partnership will use the main Weatherby's account for payment of monthly fees; receipt of prize money/VAT refunds; and, the payment of training fees and all associated costs.

7. Operation of the Account

The Weatherby's account will be operated by the syndicate manager. Statements will be available to all members for inspection, upon request.

8. Covering Expenses

All syndicate members have an equal responsibility to cover the monthly expenses. A sum of £160 is payable monthly by each syndicate member from the date of purchase of the horse, until the end of the initial term, as outlined in 3. above.

This sum covers 'normal' expenses, such as training, farrier, routine vet fees, jockey, entries, and racecourse travel.

If the horse has an option to race abroad, or non-routine veterinary intervention is needed, the syndicate shall divide the additional cost between members. Any such expense of £1,200 or more (i.e. £100 per member) will require a majority vote to be carried.

9. Prize Money Distribution

Any prize money accrued will be held over in the Weatherby's account until the end of the initial term. At the end of the term, prize money will be divided, pro rata per share, amongst the syndicate members.

10. Partnership Name / Colours

The partnership shall be known as 'geegeez.co.uk' and will race in the existing geegeez.co.uk colours as below.



11. Trainer

The partnership will place its horse in training with Anthony Honeyball, and the horse will remain in his care for the full term of this agreement unless/until a majority of members vote to move the horse.

12. Insurance

The horse will be insured to the value of £15,000. The cost of this is around £1,500 per annum, and this is a cost incorporated into the start up funds. For each subsequent year, the insurance premium will be divided equally between members and this cost will be outside of the scope of the monthly fees payable.

13. Value Added Tax

The geegeez.co.uk racing club is already registered with HMRC for VAT purposes, and all VAT payable will be recouped by the syndicate through this facility.

Monthly training fees do NOT include a provision for VAT, meaning the reclaimed VAT will be used to support the funding of the expenses outlined in 8. above.

14. Partnership Changes

If a partner wishes to leave the syndicate, first refusal will be given to existing members, at a cost of £1,000 per share or, if the horse has been subsequently valued, at 1/12th of the last valuation.

15. The Spirit of Partnership

The above terms constitute an outline to the partnership. The partnership has been formulated to provide racing enthusiasts with the chance to own a share in a horse and get closer to the sport they love.

At all times, all members are required to conduct themselves in the spirit of the partnership.

In the unlikely event of a dispute arising, the syndicate manager's decision will be final.

Agreement

I, (print name), hereby agree to be bound by the above conditions.

SIGNED:

DATE: