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SAMPLE OWNERSHIP AGREEMENT

1. Definitions

“Horse” means the horse registered with the Registrar of Racehorses as

“co-owners” means the parties to this agreement, who own the Horse as tenants in common.

“the Stewards” means the Stewards of Racing Victoria Limited.

2. General

- 2.1 The purchase price of the Horse is \$_____
- 2.2 The undersigned parties agree to each contribute monies in consideration for a percentage share in the Horse in accordance with the attached schedule 1.
- 2.3 The undersigned parties agree that they purchase the Horse as co-owners with a view to sharing in the enjoyment of the Horse as a racehorse.

3. Share of profits

- 3.1 The co-owners agree that they will share all costs related and incidental to the racing, training, agistment, treatment, maintenance, welfare and keep of the Horse in proportion to their shareholding.
- 3.2 The co-owners agree that they are liable as co-owners only for their own share of the costs referred to in clause 3.1, unless there is an agreement to the contrary and provided that a co-owner may be liable to another co-owner for costs properly incurred on their behalf.
- 3.3 The parties agree they will share all prize money or other moneys earned by the Horse in proportion to their shareholding.
- 3.4 The parties agree that any trophy won by the Horse shall be auctioned amongst the owners.

4. Managing Owner

- 4.1 The parties appoint _____
to be the managing owner of the Horse.
- 4.2 The managing owner's duties shall include:
- a) acting for the co-owners in accordance with the Rules of Racing;
 - b) doing all things on behalf of the co-owners as authorized by the co-owners to do;
 - c) receiving notice of any matter on behalf of the co-owners and informing them of said notice;
 - d) keeping the accounts of the co-owners;
 - e) ensuring that all co-owners are aware of the date on which any amount payable by them under clause 3.1 (either to third parties or to other co-owners) falls due ;
 - f) ensuring that all co-owners are aware of matters arising under clauses 5, 6 & 7 that may affect their rights or interests
 - g) keeping all co-owners regularly informed of the progress and welfare of the Horse.
- 4.3 The parties may at any time elect any other party to be the managing owner by vote, each party having a number of votes in proportion to their shareholding ('majority vote').
- 4.4 For the purposes of this agreement, the managing owner may be replaced by the other co-owners if he fails to meet any obligation under this agreement.

5. Disputes relating to management of the Horse

- 5.1 Any dispute relating to the management, handling, or racing career of the Horse shall be settled by a vote of the co-owners, each party having a number of votes in proportion to their shareholding ('majority vote').
- 5.2 For the avoidance of doubt, and without limiting the operation of clause 5.1, where there is a dispute the following matters may be settled by majority vote:
- a) the Horse's racing program;
 - b) the trainer of the Horse;
 - c) whether the Horse is to be gelded;
 - d) whether the Horse is to undergo elective surgery;
 - e) whether the Horse is to be retired;
 - f) following retirement, whether the Horse is to be used for breeding purposes, or any other purpose;
- 5.3 Where any vote referred to in clause 5.1 is split, the managing owner at the time of the vote shall have the deciding vote.

6. Sale of shareholding

- 6.1 Where any co-owner wishes to sell their shareholding, they shall give notice of their intention to the other co-owners who, for a period of 21 days, shall have first option to purchase the share at the greater of:
- a) the average price of two independent valuations received from independent bloodstock agents recommended by Federation of Independent Bloodstock Agents; or
 - b) the price of a bona fide offer received in writing from any person for the share .
- 6.2 Each co-owner shall be entitled to purchase equal parts of the offered share.
- 6.3 The co-owner selling the share in the Horse remains liable for his/her share in the costs referred to in clause 3.1 until such time as any sale is executed.

7. Default in payments

- 7.1 Any debts between co-owners arising from costs incurred under clause 3.1 shall be made by the due date as advised by the managing owner.
- 7.2 If a co-owner has not paid any amount so payable 60 days after the due date, then the managing owner must serve upon them a written notice demanding payment be made.
- 7.3 If 14 days after notice is given, the amount due remains unpaid, then the managing owner may offer the share of the defaulting co-owner for sale to the other co-owners.
- 7.4 The offer price shall be the average value of two valuations procured by the managing owner from independent bloodstock agents recommended by Federation of Independent Bloodstock Agents.
- 7.5 The sale price of the share shall be applied against all outstanding debts to the date of the forfeiture, including any interest and recovery costs incurred, with the balance to be paid by the acquiring co-owners to the defaulting co-owner, or as the defaulting co-owner may direct.
- 7.6 If none of the co-owners accept the offer, the managing owner may offer the share for sale to the public and the proceeds of sale shall be applied in accordance with clause 7.5.
- 7.7 The co-owners irrevocably appoint the managing owner as their attorney for the purposes of the exercise of the power of sale under this clause 7 and agree to do all such acts as may be required to ensure that the managing owner may exercise the power of sale under this clause.

8. Termination

8.1 This agreement terminates when:

- a) all of the co-owners by vote decide to terminate the agreement;
- b) when the horse dies;
- c) when the total interest of all co-owners are sold.

8.2 The co-owners acknowledge their responsibility for the welfare of the horse at all times while they remain co-owners.

9. Jurisdiction

This agreement will be governed by the laws of Victoria.

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SCHEDULE 1

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