

PROMOTER'S DISCLOSURE STATEMENT AND **OWNERSHIP AGREEMENT**

1. Definitions

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

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

“The Stewards” means the Steward of Racing Victoria Limited

2. General

2.1 Name and Registered Office of the Promoter, and where the Promoter is incorporated:

Clanbrooke Pty Ltd, 21 Miniata Walk, Vermont South, 3133

Incorporated in Victoria, ACN 005 894 413

AFS Licence No. 260214

2.2 Names and addresses of all Directors:

Dean Humphries, 21 Miniata Walk, Vermont South, 3133

Jan Humphries, 21 Miniata Walk, Vermont South, 3133

2.3 The undersigned parties agree that they purchase the Horse as co-owners with a view to sharing enjoyment of the Horse as a racehorse

2.4 The number of shares in the Horse: 10

2.5 The purchase price of each share: \$3,195 per 10% share. 5% shares available at \$1750 (no guarantee of name in book), inclusive to 31.10.2009.

2.6 Partnership commenced on:

1st February, 2009

3. The Horse

3.1 A description of the Horse:

Foaled 04.09.2007, Bay Filly by Beautiful Crown from Duchess Danehill.

3.2 A statement as to whether the horse is registered, if registered the Registration number:

Unregistered

3.3 If not, has an Application to Register or Transfer been submitted to a Principal Club?

No

- 3.4 Details of the racing performance(s) of the horse (if raced):**
Unraced
- 3.5 Details of the performances of the Sire:**
BEAUTIFUL CROWN, by former Champion American juvenile and Breeders' Cup winner **CHIEF'S CROWN** (by **DANZIG**), won 6 races in a career that was cut short due to injury. The year before he was retired to stud (1997), he was ranked the quickest sprinter over 1200m in the US.
- At stud, **BEAUTIFUL CROWN** is the Sire of Caulfield Guineas winner [G1] **IN TOP SWING**, Stakes winners **FLAMING** (Ritchie S. [G3]), and **CROWN PRINCESS** (Thoroughbred Club S. [G3]), as well as exciting 2YO filly and winner of the G3 Maribyrnong Plate **OUR JOAN OF ARC**, herself a bargain filly purchased at the 2008 Sydney Classic Sale, amongst many others.
- 3.6 Details of the performances of the Dam:**
This is the first foal for **DUCHESS DANEHILL** (by **DANEHILL DANCER**), the unraced dam of this filly.
- 3.7 Name of the proposed Trainer and where the horse is to be stabled:**
To be trained by Pat Carey at Mornington.
- 3.8 How did the Promoter obtain the horse?**
Purchased at the Sydney Classic Sale, 2009.
- 3.9 Date of Purchase:**
February 09, 2009.
- 3.10 A Valuation by a qualified bloodstock valuer approved by the Federation of Australian Bloodstock Agents - Aust., who is independent of the Promoter:**
Valuation as per market value
- 3.11 A Veterinary Certificate prepared by a qualified Veterinary Surgeon, including a statement of opinion as to whether the horse is fit for the purpose for which the Syndicate/Partnership is being formed:**
Veterinary Certificate on request.
- 3.12 A statement disclosing the full particulars of any lease agreement that will affect the Syndicate/Partnership:**
N/A
- 3.13 Clanbrooke has Registered the following colours for Racing:**
1 - Royal Blue and Gold Vertical Stripes, Hooped Sleeves and Quartered Cap
2 - Royal Blue, Gold Sash, Quartered Cap

5. **Costs**

- 5.1 The purchase price is all inclusive to 31.10.09. Monthly expenses of approximately \$300 per month per 10% and \$150 per month per 5% thereafter apply.

6. **Updates and Information**

- 6.1 Clanbrooke Racing's primary communication vehicle is the website at www.clanbrooke.com. Members are provided with a User I.D. and Password when they join the Partnership. Updates are posted within the Members section weekly or on a needs basis. Email updates are provided to Members who supply their email address, but only in special circumstances - i.e. nominations/acceptances and also changes to proposed programs.

7. **Insurance**

- 7.1 In an effort to reduce the overall risk to Syndicate members, our horses are insured (*Leased horses excepted*) from the moment of purchase for a period of twelve months, with a reputable Equine Insurance Company (Logan Equine Insurance).

- 7.2 At the end of the twelve month period, Members may elect to either;
 -continue to insure their share with Clanbrooke's existing insurance company (owners may vary the amount for which they are insured), or
 -choose an independant insurance company, or
 -elect not to continue insuring their share.

Members should be aware, however, that horses may only be insured against death or destruction.

- 7.3 Logans Equine Insurance will send a letter to all owners reminding them that insurance cover will expire shortly.

8. **Tickets for Racedays**

- 8.1 Syndicates are limited to a maximum of twenty tickets and Partnerships to a maximum of ten tickets. Admittance for Syndicate owners is restricted to the Owner of the share and guests will usually be required to pay normal admittance.
- 8.2 Mounting Yard tickets are available to Members of a Partnership, generally at the Secretary's Office on Race Day. Mounting Yard tickets are available to all Syndicate Members depending on the number of horses in the race and the safety regulations at the individual course, as per Racing Victoria guidelines.

- 8.3** All owners should, once their horse has been registered, apply via the RVL website for an Owners Gold Card. Apart from making it easier regarding entrance and mounting yard tickets in the city, the card also provides free entrance to most country race meetings during the year and a large number of city meetings.

9. Management

- 9.1** The Manager of all Clanbrooke Partnerships is Dean Humphries. The Manager has complete power to manage the Partnership on behalf of the Members. Such responsibilities include but are not limited to: nominations for major races, decisions relating to veterinary procedures and payment of training and ancillary accounts. Owners (and lessors) indemnify the Manager in his capacity as Manager for all payments required in respect of the fees and expenses associated with any Partnership horse.
- 9.2** The Manager will be paid for his services (of an amount not to exceed \$400 per month) from fees paid by Members/co-owners.

10. Extraordinary Meetings

- 10.1** From time to time, there will be major decisions to be made in relation to the racing future of the Partnership horse. Such decisions may include: retirement and associated choices, change of trainer or major surgical procedures.
- 10.2** An extraordinary meeting regarding a particular item may be called by Members where 75% of those Members communicate in writing with the Manager of the need for a meeting to discuss a particular point. The Manager may also, at his sole discretion, call a meeting of Members.
- 10.3** Due to geographical and time limitations, such meetings may be conducted via email, telephone or whatever is appropriate in the circumstances. Depending on the urgency of the decision, Members will be required to respond in writing within a defined timeframe.
- 10.4** In line with Racing Victoria regulations, a decision at such extraordinary meeting, is deemed to have been passed where 51% of the Members reach agreement on a proposed outcome. No further discussion in relation to that vote will be immediately entertained.

11. Monthly fees - definition

- 11.1** Monthly fees means the Calendar Monthly expenses payable in respect of the Partnership shares held and payable on account of and including breaking in, stabling, training, racing, floating, spelling, agistment, veterinary services, farrier, racing colours, bulletins and other communication, postage,

management, accounting expenses and all other costs associated with the Partnership.

12. Monthly fees

- 12.1 Members/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 the shareholding.
- 12.2 Monthly fees are non-negotiable and payable monthly from the date the Partnership paperwork is received by Clanbrooke Racing, or as per prior arrangement.
- 12.3 Monthly fees are costed on a per annum basis and are therefore payable 12 months of the year - even when the horse is spelling. A reconciliation is performed at the end of a preparation - or annually if the horse is not racing. Copies of the reconciliation will be sent where requested. Monthly fees can be varied by the Manager by notice in writing, based on actual costs. An adjustment can be made either way following a reconciliation and Members (both owners and lessors) remain accountable for their respective (%) share of actual costs at all times.
- 12.4 Please note: Clanbrooke accounts are audited annually as a requirement under our ASIC license.

13. Payment of monthly fees

- 13.1 Members must elect to pay monthly fees via either Direct Debit or Credit Card (forms supplied within Partnership Owners Agreement). Both Credit Card and
Direct Debit transactions are processed on the 15th of the month for that month. i.e. payments are made two weeks in arrears and two weeks in advance.
- 13.2 Please note that for administration purposes, Members are invoiced quarterly and invoices are distributed via email. As most monthly fees do not change from month to month, the decision to invoice quarterly is purely a time saving mechanism. Members are fully aware of the monthly fee payable when they join the Partnership and this amount can be amended only in writing.
- 13.3 Although we invoice quarterly, Members are not required to pay quarterly. As explained above, training fees are payable monthly on the 15th, two weeks in advance and two weeks in arrears.

14. Overdue Accounts

- 14.1 Clanbrooke Racing reserves the right to simply remove from a customer,

without prior notice, any share that remains entirely either in full or in part (as arranged), 14 days after the relevant paperwork (including Owners Agreement and Direct Debit or Credit Card application forms) is received by Clanbrooke. As such, new Members **MUST** make either a one third payment (as arranged) *OR* payment in full for the purchase price of the share within the first 14 days of Membership.

- 14.2** A prospective Member is not considered a Member of the Partnership until all relevant paperwork has been returned to Clanbrooke and the share has been paid in full. Until payment is tendered, the prospective Member has no ownership rights and Clanbrooke reserves all rights in relation to the share/s including the right to sell and any rights to prizemoney.
- 14.3** In the case that a monthly Direct Debit or Credit Card transaction does not go through, Clanbrooke will double the Debit/Credit amount for the following month and a \$10 administration fee will be charged. If the second payment does not go through, the Member has **7 days** to pay any outstanding amount or risk forfeiture of the share.
- 14.4** Clanbrooke Racing reserves the right to claim any prize money of a Partnership Member who is more than thirty (30) days in arrears for Monthly Fees.
- 14.5** Clanbrooke Racing reserves the right to re-sell shares that are more than thirty (30) days in arrears, provided that the Member has been notified of such action at least **14 days** prior.
- 14.6** Where Clanbrooke is required to alter registration papers when an owner has been removed because of an overdue account, an administration fee will be added to the outstanding total as follows: \$110 Racing Victoria set fee for an owner removing him/herself from a Partnership plus \$60 administration charge (total \$170).
- 14.7** Where a Member has been removed from a Partnership due to an overdue account, Clanbrooke will commence debt recovery procedures immediately.
- 15. Withdrawal from Lease Partnership**
- 15.1** If a Member wishes to withdraw from a Lease Partnership, he or she must give 30 days notice in writing and ensure that any outstanding fees are paid in full by this date. Failure to do so will result in debt recovery on behalf of Clanbrooke.
- 15.2** Where Clanbrooke is required to alter registration and/or lease papers where an owner or lessee has simply withdrawn from a Partnership, an administration fee will be applicable as follows: \$66 Racing Victoria set fee for lessees plus \$60 administration (total \$126) and \$110 Racing Victoria set fee for an owner removing him/herself from a Partnership plus \$60 administration charge (total \$170).

16. Extraordinary share offerings

- 16.1** There may be occasions when a share in a Syndicate or Partnership becomes available. Such shares may be offered to existing Members at the current market value (valuation procured by the managing owner from an independent bloodstock agent) and, if not taken up, offered to outside parties.
- 16.2** Where shares are owned (*not leased*) by the Member, that Member has the right to sell his share to any prospective purchaser for whatever consideration the two parties agree upon. However, any purchaser must be approved by Clanbrooke Racing and the new owner must abide by all existing Clanbrooke Racing Terms and Conditions. Where a transfer of ownership is required, an administration fee will be applicable as follows: \$110 Racing Victoria set fee for an owner removing him/herself from a Partnership plus \$60 administration charge (total \$170). Such costs are borne by the outgoing Member or as arranged with the incoming Member.
- 16.3** In the event that the Manager disposes of *a share* - or *all shares* on behalf of a Member/s, a commission of 8% is due and payable to the Manager.
- 16.4** Clanbrooke is under no obligation to sell Members' shares and Members remain liable for the payment of monthly fees until they find a buyer or relinquish their shares as agreed with Clanbrooke Racing.

17. Prizemoney

- 17.1** All prizemoney is accumulated in the Partnership Bank Account and distributed when the Partnership horse goes for a spell, as long as the total distribution exceeds \$200 per Syndicate Member and, of course, subsequent to the receipt of the cheques/payment from the race clubs and the reconciliation of the Partnership accounts.
- 17.2** Prizemoney will not be distributed to a Member/co-owner who is in arrears for ongoing expenses following the reconciliation of the Partnership accounts.
- 17.3** Trophies for any Black Type races remain the property of Clanbrooke who may, at its discretion, have a draw for ownership of the trophy.
- 17.4** If a non-Black Type trophy is won by a Partnership horse, all financial Members' names will be put into a hat and the winner drawn from it. All previous winners will be exempt from subsequent trophies until the cycle begins anew.

18. End of Partnership

- 18.1** At the conclusion of a Partnership, any remaining funds (including prizemoney and proceeds of sale if applicable) will be distributed accordingly after all outgoing and associated Partnership costs have been settled and a

reconciliation has been completed. Copies of the reconciliation will be sent where requested.

- 18.2** Please note that it can take up to twelve weeks after the end of a Partnership for final bills and subsequent reconciliation to be completed.

19. Merchandise

- 19.1** Clanbrooke has a range of Merchandise available including polo shirts, reversible vests, racing jackets and caps. Descriptions and photos can be viewed on our Merchandise page. Please contact the office if you wish to place an order.

20. Refund Policy

- 20.1** It is important to note that refunds will not be issued where a horse fails to live up to expectations or does not in fact race. The description we provide is the best information we have and offered in good faith.

21 Termination

- 21.1** This agreement terminates when:
- a) all of the Members/co-owners by vote decide to terminate the agreement;
 - b) where the Horse dies
 - c) when the total interest of all co-owners are sold.
- (In the case of a Lease, the agreement terminates at the expiration of the standard 3 year Lease period OR where scenario a) or b) above occur).*

22. Complaints Handling

- 22.1** We take complaints very seriously and will do everything possible to resolve any complaint or dispute in the fairest possible way. In the first instance, complaints should be addressed to Clanbrooke via email to dean@clanbrooke.com or via telephone +61 3 9540 0317 or in writing PO Box 6024, Vermont South, 3133, Victoria. If a satisfactory resolution cannot be reached, complaints should then be forwarded to Racing Victoria.

Clanbrooke Racing is happy to abide by any subsequent decision.

ACKNOWLEDGMENT FORM

RE: 'DUCHESS DANEHILL PARTNERSHIP'

Bay Filly – Beautiful Crown / Duchess Danehill Filly

I/We

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acknowledge that being the purchaser of % in the Clanbrooke Racing 'Duchess Danehill Partnership,' that I am over the age of eighteen years, that I am not an undischarged bankrupt, or a disqualified person under the Rules of Racing, and that exempt for traffic convictions involving a fine, I have not been convicted of any criminal offence.

I/We authorise my cheque to be deposited in the 'Clanbrooke Pty Ltd Duchess Danehill Partnership' Bank Account with the Bendigo Bank pending the completion of the Partnership after which the funds may be used to meet Partnership commitments.

NAME _____

SIGNED _____ DATE _____

ADDRESS _____

_____ P/C _____

TEL. NO. _____ FAX NO. _____

MOBILE NO. _____

EMAIL ADDRESS _____

DATE OF BIRTH _____

OCCUPATION _____

OWNERS ID NO. _____

I acknowledge that I have read and agreed to all Terms and Conditions in this Ownership Agreement (please tick)

REGISTRAR OF RACEHORSES

AUTHORITY TO SIGN

(Use a separate form for each horse)

I (name in full) _____ Date of
 Birth _____
 Address _____
 ___(ph) _____

Authorise the person hereunder:

Dean Humphries

To sign on my behalf, the Document/s listed hereunder relating to this racehorse in which I have an interest/shareholding.

Dam and Year of foaling: **Foaled 04.09.2007, Bay Filly by Beautiful Crown from Duchess Danehill.**

THESE DOCUMENTS ARE NOT LIMITED TO BUT INCLUDE

DOCUMENT	SIGNATURE REQUIRED OF OWNER/SHAREHOLDER
APPLICATION TO REGISTER A RACEHORSE	
TRANSFER OWNERSHIP OF A RACEHORSE	
LEASE OF A RACEHORSE	
CANCELLATION OF LEASE	
STANDARD SYNDICATE AGREEMENT (relating to members of a registered syndicate)	
STANDARD PARTNERSHIP AGREEMENT (relating to a shareholder in a partnership to be registered)	
DISCLAIMER CONTAINED IN PROMOTER'S DISCLOSURE STATEMENT (relating to a shareholder in a partnership to be registered)	
OTHER FORM (please specify)	

NOTE: BY SIGNING NEXT TO THE NAME OF A DOCUMENT LISTED ABOVE, YOU ARE ACKNOWLEDGING THAT YOU HAVE READ AND UNDERSTOOD THE DOCUMENTS AND ITS CONTENTS.

HOW TO SECURE YOUR SHARE

Once you have read the Ownership Agreement and understood their contents, the following steps need to be put in motion:

1. Read, **SIGN** and **DATE** the Acknowledgment Form (p.7).
2. Complete the Authorisation Form (p.8) which allows us to sign the Registration papers on your behalf. **Please note:** Lessees are required to sign in *every* box. People purchasing shares are required to sign in all boxes *except* those that refer to leases.
3. Decide whether you are paying by Direct Debit *or* Credit Card (forms included at the end of this document). Complete appropriate forms and return to:

**CLANBROOKE RACING
BOX 6024
VERMONT SOUTH, 3133**

The first payment for monthly fees will be deducted from your nominated account on the 15th of the month including any part month fees applicable.

Payment for Share Purchases will be processed as soon as practical after receipt of documentation.

Promoter's Declaration:

I confirm that:

- (a) The statements contained in the Ownership Agreement in relation to the Syndicate/Partnership are true;
- (b) The Ownership Agreement contains all information which the investors and their advisers would require and reasonably expect to find in an Ownership Agreement for the purpose of making an informed assessment about investment in the Syndicate/Partnership.

Name of Promoter _____ **Dean Humphries** _____

Signature of Promoter _____

Date _____

DUCHESS DANEHILL PARTNERSHIP

NAME SUGGESTIONS

- 1.
- 2.
- 3.
- 4.
- 5.

NAME:

.....

CONTACT NO.:.....

DIRECT DEBIT REQUEST

Request to establish Debit Authority within the
Direct Debit System

Institution Name:
Institution Address:
City, State and Postcode:

I/We _____ ,
Customer Name(s) giving Direct Debit Request

Customer Residential Address

Postcode _____

Authorise **Clanbrooke Pty Ltd – A.B.N. 43009949593** with User ID Number **203074**

to arrange for funds to be debited from my/our account, held with the Financial Institution identified above, as described in The Schedule below.

Payment Details:

The payment is for:

Identified by Reference Information :
(Loan Number / Policy Number /Membership Number etc.)

The Schedule

Details of account to be debited:

Account held in the name(s) of: _____

Financial Institution's BSB :

Account Number: _____

(Please check with your Financial Institution to ensure the account nominated will facilitate direct debiting. See attached Service Agreement Clause 5.

Direct Debit Request
Authorisation

I/We have read and understood the "Service Agreement" overleaf and acknowledge and agree to it.

I/We request this Arrangement remain in force in accordance with The Schedule described above and in compliance with the "Service Agreement" overleaf.

Customer(s) Signature: _____ Date: _____
 _____ Date: _____

DIRECT DEBIT REQUEST

Request to establish Debit Authority within the Direct Debit System

Service Agreement

1. **Clanbrooke Pty Ltd** (the "Debit User") will debit the BSB/Account nominated in The Schedule of this Direct Debit Request as specified.
2. The Debit User will give not less than 14 days written notice to the customer should it propose to vary the arrangements of this Direct Debit Request.
3. The customer(s) may request the Debit User to defer or alter the payment amount specified in the Schedule of this Direct Debit Request. Requests authorising these changes may be made by phoning or visiting any branch of the **Clanbrooke Pty Ltd**. Customer(s) may change the:
 - Due Date of Payment
 - Payment Amount
 - Frequency of Payment

Customer(s) wishing to vary the drawing account details specified in The Schedule of this Direct Debit Request must provide signed authority for Such changes to be effected.

4. In compliance with the Industry's Direct Debit Claims Process, the Debit User will assist customer(s) disputing any payment amount drawn on the nominated BSB/Account in The Schedule of this Direct Debit Request. The Debit User will endeavor to resolve this matter within the Industry agreed timeframes. Customer(s) may visit any branch of their bank and complete a "Direct Debit System Claim Request" form to initiate the process.
5. The Debit User advises that some Financial Institution accounts do not facilitate direct debits and as such the customer(s) must check with their Financial Institution (Ledger FI) to ensure the account nominated in The Schedule of this Direct Debit Request enables direct debiting.
6. It is the customer(s) responsibility to ensure at all times there is sufficient cleared funds available, at the due date of the debit drawing, to enable payment from the BSB/Account as nominated in The Schedule of this Direct Debit Request.
7. The Debit User advises the debit drawing will be made on the agreed due date as nominated in The Schedule of this Direct Debit Request. When the due date is a closed business day the Debit User will initiate the debit drawing on the next open business date. Customer(s) may direct processing inquiries to their Ledger FI.

A closed business day is defined as any calendar day on which the customer(s) Ledger FI is not open for direct debit processing. That is

- Weekends
- Public Holiday – State

- Public Holiday – National
8. Where an unpaid debit item is returned by the customer(s) Ledger FI, the Debit User will, in accordance with The Schedule of **Clanbrooke Pty Ltd** Fees & Charges, apply an Outward Dishonor Fee to the customer(s) recipient account.
 9. Customer(s) who wish to cancel this Direct Debit Request must notify the Debit User in writing not less than 7 days before the next scheduled debit drawing. This request may be directed to the Debit User or to their Ledger FI for actioning.
 10. The Debit User requests the customer(s) to direct all inquires, disputes requests for payment changes or cancellation directly to the Debit User.
 11. The Debit User agrees to keep confidential all customer(s) records and account details contained in The Schedule of this Direct Debit Request unless authorised to release such information pursuant to a debit item dispute or similar event where the customer(s) has provided prior consent to do so.

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CREDIT CARD PAYMENT REQUEST

Request to make a credit card transaction

Institution Name: **Clanbrooke Racing**
 Institution Address: **6 Industrial Avenue**
 City, State and Postcode: **Notting Hill, Vic, 3168**

I _____ ,
 Customer Name(s) giving Credit Card Payment Request

 Customer Residential Address

_____ Postcode _____

_____ *Customer contact phone number/s*

Authorise : **Clanbrooke Racing**

to arrange for the card detailed below to be charged for the share / training fees as outlined below.

Payment Details:

The payment is for: (purchase of share / training fees) :

For Syndicate / Partnership:

Card Details

Details of the card to be charged:

Account held in the name of: _____

Card Type : (Visa / Mastercard / Bankcard)

Card Number : _____

Expiry Date : _____

Credit Card Agreement

I have read and understood Clanbrooke's "Terms and Conditions" and "Standard Syndicate Agreement" pertaining to the above mentioned Syndicate / Partnership and acknowledge and agree to all conditions specified.

Please cross out the scenario that is not applicable:

This is a one off payment only and I do not wish my credit card to be charged on more than one occasion.

I request the above specified Arrangement does / does not remain in force on a monthly basis or until I advise a Clanbrooke Racing representative otherwise.

Customer Signature: _____ Date: _____