

LEASE AGREEMENT

Agreement Information														
1. Owner:	[Insert name of Owner], of [insert address] ("Owner")													
2. Lessee:	[Insert name of person wanting to lease the Horse from the Owner], of [insert address] ("Lessee")													
3. Trainer:	[Insert name of person who will train the Horse], of [insert address] ("Trainer").													
4. Background:	Lessee wishes to lease the Horse (as defined below) from the Owner for the Lease Period, and the Owner wishes to grant such lease, on the Terms and Conditions set out in this Agreement. The Horse shall be trained during the Lease Period by the Trainer.													
5. Horse:	Name: Year Foaled: Colour: Sex: Sire: Dam: Passport Number: (the "Horse")	[Insert name] [Insert year] [Insert colour] [Colt/Filly/Gelding etc] [Insert sire name] [Insert dam name] [Insert passport number]												
6. Lease Period:	The lease will run from [insert date] until [insert date] (the "Lease Period"), subject to clause 13 of the Terms and Conditions attached.													
7. Lease Share:	The interest to be leased in the Horse under this Agreement is [100%].													
8. Costs:	Lessee will be responsible for the costs set forth in clause 6 of the Terms and Conditions attached.													
9. Excluded Activities:	[Either specify "None beyond those set forth in clause 8.1" OR list any specific activities in which the Owner requests that the Horse does not participate]													
<p>The Owner and Lessee and Trainer now hereby enter into an agreement (this "Agreement") incorporating the "Agreement Information" on this page and the "Terms and Conditions" attached:</p> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%;">Owner:</td> <td style="width: 33%;">Lessee:</td> <td style="width: 33%;">Trainer:</td> </tr> <tr> <td>By: _____</td> <td>By: _____</td> <td>By: _____</td> </tr> <tr> <td>Name: _____</td> <td>Name: _____</td> <td>Name: _____</td> </tr> <tr> <td>Date: _____</td> <td>Date: _____</td> <td>Date: _____</td> </tr> </table>			Owner:	Lessee:	Trainer:	By: _____	By: _____	By: _____	Name: _____	Name: _____	Name: _____	Date: _____	Date: _____	Date: _____
Owner:	Lessee:	Trainer:												
By: _____	By: _____	By: _____												
Name: _____	Name: _____	Name: _____												
Date: _____	Date: _____	Date: _____												

TERMS and CONDITIONS

This Agreement is made by:

- (1) the **Owner** (as defined above); and
- (2) **Lessee** (as defined above); and
- (3) the **Trainer** (as defined above),

AGREED TERMS

Capitalised terms used in these Terms and Conditions which are not otherwise defined herein shall have the meanings ascribed to them in the Agreement Information on the front page.

1. Registration

Lessee shall be responsible for the registration of this Lease with Weatherbys within the applicable timeframe and in compliance with the Rules of Racing of the British Horseracing Authority ("**Rules of Racing**"). The Owner shall provide such assistance as may reasonably be requested by Lessee or by Weatherbys to confirm the same.

2. Lease Period

- 2.1 The lease of the Horse under this Agreement (the "**Lease**") will run for the Lease Period.
- 2.2 Neither the Owner nor Lessee shall be obliged to extend or renew this Lease and any extensions will be subject to a written agreement between the parties.
- 2.3 If the Lease is renewed, Lessee shall register the new lease as soon as possible with Weatherbys and in compliance with the Rules of Racing.

3. The Horse

- 3.1 The Owner represents and warrants that:
 - a. it owns all right, title and interest in and to the Horse and ;
 - b. the Horse matches the description set forth in the Agreement Information;
 - c. the Owner is the sole legal and beneficial owner of the Horse and has the right and authority to lease the Horse and to enter into this Agreement;
 - d. all written statements made by the Owner to Lessee in respect of the Horse prior to this Agreement were and are accurate and true;
 - e. to the best of the Owner's knowledge the Horse has no unsoundness or health problems that would make the Horse unfit for general riding work or racing; and
 - f. the Owner has disclosed to Lessee all material issues relating to the Horse (if any) that the Owner is aware of that might impact on the Horse's ability to race during the Lease Period.
- 3.2 The Owner shall provide Lessee with a copy of the Horse's passport on Lessee's request.

4. No assurances

- 4.1 Save as specified in clause 3.1, the Horse is leased "as is" and the Owner makes no representations or warranties in respect of the Horse to the fullest extent permitted by law. In particular, the Owner provides no warranties or representations regarding the future soundness or performance of the Horse.
- 4.2 Save as specified in clause 3.1, Lessee acknowledges and agrees that Lessee has not relied on any assurances by the Owner in respect of the Horse or Lessee's decision to enter into this Agreement.

5. Lease entitlements

- 5.1 Lessee shall be entitled to keep for Lessee's own benefit (in proportion to his or her Lease Share) all prize money, appearance money and other income earned by the Horse during the Lease Period, except as set forth in clause 5.2.
- 5.2 Lessee is not entitled to:
 - a. any Breeders' Prizes or other income which is due to the breeder of the Horse;
 - b. any stud fees or income relating to any breeding arrangement involving the Horse;
 - c. any income or interest in any progeny of the Horse;
 - d. any proceeds arising from the sale of the Horse;
 - e. any income arising after the termination or expiry of the Lease Period.
- 5.3 Unless otherwise agreed in writing with the Owner, the Horse shall run in the name and colours of Lessee throughout the term of the Lease Period but shall not be entitled to run in selling or claiming races without the consent of the Owner.
- 5.4 Any VAT reclaimed on the sums paid by Lessee in connection with the Horse shall belong to Lessee and any VAT reclaimed on the sums spent by the Owner in connection with the Horse shall belong to the Owner.

6. Costs and Lessee payment obligations

- 6.1 In return for the Lease, Lessee shall be responsible for all costs which the Horse gives rise to during the Lease Period except for the Excluded Costs set forth in clause 6.2. The costs to be borne by Lessee shall include, without limitation, the following:
- a. all veterinary costs (save for Excluded Costs) incurred during the Lease Period;
 - b. all training-related costs;
 - c. all costs relating to the entering and running of the Horse in races, including all transportation and stabling costs;
 - d. the costs of keep and care for the Horse (e.g. stabling, shoeing as needed and other relevant costs) and other costs passed on by the Trainer (if applicable);
 - e. the cost of obtaining insurance in accordance with clause 10 below.
- 6.2 If the Horse requires non-routine veterinary surgery during the Lease Period, and if the Owner agrees that such surgery should take place, the Owner shall be liable for the cost of such surgery (“**Excluded Costs**”). For clarity, non-routine veterinary surgery would usually only cover emergency surgery not commonly associated with the general care and upkeep of a racehorse in training (e.g. colic surgery). A ‘breathing op’ shall not be an Excluded Cost, and shall be paid for by Lessee. For further clarity, Excluded Costs shall include all veterinary costs which relate to veterinary actions or procedures (including any surgery or operation) undertaken (i) before the Lease Period, even if such costs only get invoiced or only get paid or become payable during the Lease Period, and (ii) after the Lease Period, even if the illness or injury or other cause arose during the Lease Period. All such Excluded Costs shall be the responsibility of the Owner.
- 6.3 In respect of costs to be passed on by the Trainer, the Trainer agrees that he/she will invoice Lessee for all costs for which Lessee is responsible under this Agreement and will invoice the Owner for all costs for which the Owner is responsible under this Agreement.

7. Training

- 7.1 The Horse shall be trained throughout the Lease Period by the Trainer.
- 7.2 If either the Owner or Lessee wishes to change trainer during the Lease Period, the relevant party must first obtain prior written consent of the other party. Should such a change be agreed, any replacement trainer must sign a novation agreement agreeing to be bound by the terms of this Agreement in place of the previous Trainer.
- 7.3 Lessee acknowledges and agrees that the Trainer shall make the day to day decisions relating to the welfare, training, running, riding, stabling and transport of the Horse, and that Lessee shall have no rights in relation thereto.
- 7.4 Where the Owner has an existing training agreement in place with the Trainer (an “**Existing Owner-Trainer Agreement**”), the Trainer and the Owner hereby agree that such Existing Owner-Trainer Agreement shall be deemed suspended (and shall not apply) during the Lease Period and shall only resume in effect after the Lease Period. In particular (and without limitation), the Trainer agrees that the Owner shall not be liable for any costs under the Existing Owner-Trainer Agreement during the Lease Period and that the Owner shall be liable only under this Agreement during the Lease Period (e.g. for breach of this Agreement or for Excluded Costs). Nothing in this clause shall affect the Trainer’s and the Owner’s respective rights and obligations under the Existing Owner-Trainer Agreement outside of the Lease Period, including in respect of any training fees owed by the Owner in respect of time before the start of (or after the expiry of) the Lease Period.
- 7.5 The Trainer and Lessee agree that prior to or as soon as reasonably practicable after entering into this Agreement, they shall enter into their own training agreement for purposes of the Lease Period. The Trainer and Lessee shall comply with the terms of such training agreement in full save that: (a) as between Lessee and the Owner, in the event of any conflict between the terms of such training agreement and the terms of this Agreement, the terms of this Agreement shall prevail; and (b) as between the Trainer and the Owner, in the event of any conflict between the terms of such training agreement and the terms of this Agreement or any Existing Owner-Trainer Agreement, the terms of this Agreement and the Existing Owner-Trainer Agreement shall prevail (in that order, it being agreed that in the event of any conflict between the terms of this Agreement and any Existing Owner-Trainer Agreement, the terms of this Agreement shall prevail). The Trainer and Lessee shall not knowingly include in their training agreement any terms which conflict with the terms of this Agreement.

8. General obligations

- 8.1 Lessee shall:
- a. keep the Horse with the Trainer unless otherwise agreed in writing with Owner;
 - b. not abuse the Horse or do anything which may harm the Horse;
 - c. immediately notify the Owner if the Horse suffers any serious illness or injury or is required to have any surgery;
 - d. obtain the Owner’s prior written consent (not to be unreasonably withheld, conditioned or delayed) if it is desired to give the Horse a ‘breathing op’ during the Lease Period, which op may only be done at the Trainer’s recommendation;

- e. not abuse the Trainer or the Trainer's staff or owners;
- f. not move or attempt to move the Horse without the prior written consent of the Owner;
- g. not sell or attempt to sell the Horse;
- h. not allow the Horse to take part in any of the below mentioned activities under any circumstances whatsoever:
 - (1) breeding;
 - (2) polo (or any other sport or activity not ordinarily undertaken by racehorses in training);
 - (3) any activity of any kind not covered under applicable insurance policies;
 - (4) the Excluded Activities (if any) specified in the Agreement Information;
- i. ensure that title to the Horse remains with the Owner at all times; and
- j. pay promptly and in full (without set off or other deduction) all amounts due under this Agreement and by no later than the date required under the relevant invoice, plus VAT if applicable.

8.2 Lessee represents and warrants that Lessee has the right and authority to enter into this Agreement.

9. Illness, injury or death of Horse

- 9.1 If the Horse shall die during the Lease Period then the Lease (and this Agreement) shall thereupon come to an end.
- 9.2 If the Horse suffers an illness or injury which requires the Horse (in the reasonable opinion of the Owner and the Trainer after consultation with a qualified veterinarian) to cease being trained for the remainder of the Lease Period then, unless otherwise agreed between the parties, the Lease (and this Agreement) shall immediately (upon Lessee being notified of such decision) come to an end.
- 9.3 If the Horse suffers an illness or injury which should not (in the reasonable opinion of the Owner and the Trainer after consultation with a qualified veterinarian) prevent the Horse from being trained again before the end of the Lease Period then, unless otherwise agreed between the parties, the Lease (and this Agreement) shall continue in full force and effect in accordance with the terms hereof.

10. Insurance

- 10.1 Each party shall be responsible for obtaining their own insurance in respect of their potential liabilities under or in connection with this Agreement.
- 10.2 Lessee shall obtain and maintain at all times during the Lease Period third party liability insurance cover (to cover amongst other things potential damages if the Horse causes damage or injury during the Lease Period) with a minimum level of cover of £5 million. Lessee shall be liable for the payment of the aforesaid insurance premium. Such insurance is available either via a Racehorse Owners Association (ROA) membership or independently. The third party liability insurance cover must cover the Owner and the Lessee. Lessee will provide the Owner with a copy of the insurance policy document(s).
- 10.3 Without prejudice to the obligation under clause 10.2, if Lessee wishes to insure against any veterinary costs or other fees or expenses that Lessee may be required to pay under clause 6, Lessee shall be responsible for procuring the same. If Lessee chooses not to, Lessee does so at Lessee's own risk. The Owner shall be under no obligation to obtain insurance on its or Lessee's behalf or, even if the Owner does obtain relevant insurance, to try to recover from the Owner's insurers any such veterinary costs or other fees or expenses that Lessee has paid out. If, however, the Owner does have relevant insurance and if the Owner does recover any or all of the fees or expenses paid by Lessee, the Owner shall repay to Lessee any veterinary costs or other fees or expenses Lessee has paid out that are recovered from the insurers by the Owner, less any insurance excess and less any costs or expenses incurred by the Owner.
- 10.4 It is the responsibility of Lessee to ensure that the terms and conditions of any applicable insurance policy are met and complied with.
- 10.5 The Owner shall be responsible for insuring the Horse to such value as it sees fit in respect of all risks of mortality ("ARM") during the Lease Period, with the Owner named as the beneficiary of the policy. The proceeds of any insurance claim shall accordingly be for the sole account of the Owner, even if Lessee agrees to pay a contribution towards the costs of insuring the Horse against ARM for the Lease Period.

11. Right of first refusal

- 11.1 Subject to the terms of this clause 11, the Owner reserves the right to sell the Horse during the Lease Period.
- 11.2 If the Owner receives an offer for the Horse from a bona fide third party purchaser during the Lease Period, the Owner agrees to give Lessee a right to match the offer and buy the Horse as per the below.
- 11.3 Before proceeding with any proposed offer that the Owner would like to accept, the Owner shall first notify Lessee in writing ("**Sale Notice**") giving details of the offer, including the offer price (the "**Proposed Sale Price**").
- 11.4 Lessee shall notify the Owner in writing whether it wishes to buy the Horse at the Proposed Sale Price within 7 days of receipt of the Sale Notice ("**Purchase Notice**").
- 11.5 If, at the expiry of the period stated in clause 11.4, Lessee has not given the Purchase Notice or has stated it does not wish to buy the Horse at the Proposed Sale Price, the Owner shall be entitled to sell the Horse to the third party purchaser at a price not less than the Proposed Sale Price provided that it does so within 3 months of the expiry of the period specified in clause 11.4.

- 11.6 If Lessee has given the Owner the Purchase Notice within the stated period, indicating Lessee's wish to buy the Horse at the Proposed Sale Price, Lessee shall be bound to buy the Horse and pay the Proposed Sale Price to the Owner, and the Owner shall be bound to sell the Horse at this price, with such sale to complete within 30 days of receipt of the Purchase Notice. Until such sale completion, this Agreement shall continue in full force and effect.
- 11.7 The Owner will not sell (or seek to sell) the Horse during the Lease Period other than in accordance with the above provisions.

12. No transfer

- 12.1 Lessee may not sub-let the Horse or assign, sub-contract, delegate, transfer or encumber any of its rights or obligations under this Agreement except with the Owner's express prior written consent.

13. Termination

- 13.1 This Agreement will automatically terminate in the following circumstances:
- a. at the end of the Lease Period;
 - b. on the death of the Horse;
 - c. on the death of Lessee (where Lessee is one individual);
 - d. in the circumstances set forth in clause 9.2; and
 - e. upon the sale of the Horse.
- 13.2 Lessee may terminate this Agreement at any time upon giving notice to the Owner if the Owner materially breaches of any of the terms of this Agreement (including any of the warranties under clause 3.1) and if such breach is incapable of remedy or is not remedied within 5 days of Lessor notifying the Owner about the breach.
- 13.3 The Owner may terminate this Agreement at any time upon giving notice to Lessee if Lessee materially breaches of any of the terms of this Agreement (including any of the obligations and warranties under clauses 6.1 and 8) and if such breach is incapable of remedy or is not remedied within 5 days of the Owner notifying Lessee about the breach.
- 13.4 This Agreement may also be terminated at any time by mutual written agreement signed by both the Owner and Lessee.
- 13.5 On termination, Lessee shall:
- a. return the Horse to the Owner to such place as agreed between Lessee and the Owner;
 - b. return to the Owner the Horse's passport to the extent Lessee was given it;
 - c. pay all costs in relation to the Horse which accrued during the Lease Period but which have not yet been paid (or which, as at the date of termination, have not yet been invoiced); and
 - d. cease to have any further interest in the Horse, save for the right to receive income due to Lessee under clause 6 which accrued during the Lease Period but which, as at the date of termination, has not yet been paid to Lessee. For the avoidance of doubt, Lessee shall have no right to any prize money or other income earned by or attributable to the Horse arising after the Lease Period.
- 13.6 On termination, the Owner shall:
- a. pay all income due to Lessee under clause 5 which accrued during the Lease Period but which, as at the date of termination, had not yet been paid to Lessee (less any amounts owed but not yet paid by Lessee);
 - b. notify Weatherbys of the termination of the Lease, and Lessee shall provide such assistance as may reasonably be requested by the Owner or by Weatherbys to confirm the same.

14. Liability

- 14.1 Lessee acknowledges and agrees that due to the inherent risks connected with horse care and riding, at no time shall the Owner be responsible for any loss, damage, death or injury caused to or by the Horse during the Lease Period except to the extent such loss, damage, death or injury is caused by the negligence or wilful misconduct of the Owner.
- 14.2 Lessee shall indemnify the Owner against any third party claims (and any related losses, damages, costs and expenses incurred by the Owner) that may arise in connection with the Horse during the Lease Period, including under the Animals Act 1971, except to the extent caused by the negligence or wilful misconduct of the Owner.
- 14.3 Each party shall indemnify the other party against any claims, losses, damages, costs or liabilities suffered or incurred by the other party in connection with this Agreement which result from the acts, errors, omissions or negligence of the indemnifying party.

15. General

- 15.1 The parties shall keep confidential and not disclose to any third party this Agreement or the contents or information herein, unless required by law or court order and except to their professional advisers (or to Weatherbys for registration purposes) on a need-to-know basis and who are bound by similar confidentiality obligations.
- 15.2 Lessee is and shall remain an independent contractor. Lessee is not an agent, employee or partner of the Owner, and shall not hold himself/herself out as such.

- 15.3 This Agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
- 15.4 No variation of this Agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).
- 15.5 No failure or delay by a party to exercise any right or remedy provided under the Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.
- 15.6 If any provision or part-provision of the Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of the Agreement.
- 15.7 This Agreement shall be binding upon and shall inure to the benefit of the parties, their respective successors and assigns.
- 15.8 No one other than a party to this Agreement and their permitted assignees shall have any right to enforce any of its terms.
- 15.9 The provisions of clauses 12, 13.5, 13.6, 14 and 15 shall survive the termination of this Agreement.
- 15.10 The Agreement, and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation, shall be governed by, and construed in accordance with the law of England and Wales.
- 15.11 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Agreement or its subject matter or formation.