

*Mailbag Bloodstock Pty Ltd*

**UNNAMED 2022 CHESTNUT COLT  
By YES YES YES x NOVEMBER RAIN (NZ)**

**MAILBAG BLOODSTOCK PTY LTD**

**Product Disclosure Statement**

**This Product Disclosure Statement has been approved by Racing NSW**

**Offeror**

**Mailbag Bloodstock Pty Ltd (Authorised Representative No 001293173)**

Address: 55 Seaford Grove, Seaford, Victoria 3198

Telephone: 0438 421 732; Email: [bloodstock@themailbag.com.au](mailto:bloodstock@themailbag.com.au)

Being an Authorised Representative of the

**Promoter**

**Stable Connect Ltd (AFS Licence No. 336964)**

Address: Level 10, 60 City Road, Southbank VIC 3006

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## Contents

PRODUCT DISCLOSURE STATEMENT .....	1
1. DISCLOSURE AND COMPLIANCE WITH ASIC CORPORATIONS (HORSE SCHEMES) INSTRUMENT 2016/790 .....	1
2. STATEMENT TO PROSPECTIVE INVESTORS AS TO THE COMMERCIAL MERITS OF THE OFFER AND RECOMMENDATION REGARDING THE SEEKING OF ADVICE .....	1
3. PURPOSE OF SYNDICATE .....	1
4. ISSUE .....	1
5. OWNERS' PRIVILEGES .....	2
5.1 Registered Owner Rights .....	3
5.2 Race Day Ticketing & Hospitality .....	3
5.3 Owner Relations and Communications .....	3
6. HOW TO INVEST .....	3
7. INVESTORS FUNDS .....	3
8. OFFEROR .....	4
9. PROMOTER .....	4
10. SYNDICATE MANAGER .....	4
11. RACING MANAGER .....	4
12. TRAINER .....	5
13. VETERINARY REPORT .....	5
14. INSURANCE .....	5
15. REGISTRATION .....	5
16. INTERESTS OF THE OFFEROR, PROMOTER, SYNDICATE MANAGER, RACING MANAGER, THEIR DIRECTORS AND EXPERTS .....	5
17. SUMMARY OF RIGHTS AND LIABILITIES ATTACHING TO SHARES IN THE SYNDICATE AND OTHER RELEVANT INFORMATION .....	6
18. MARKETABILITY OF SHARES .....	7
19. WARNING .....	7
20. RISK .....	7
21. COOLING OFF PERIOD .....	8
22. PROMOTER and OFFEROR DECLARATIONS .....	8

## ANNEXURES

Pedigree

Yearling Purchase Invoice

Insurance Certificate

Veterinary Certificate

Letter of consent to be Trainer

Application Form

Syndicate Deed

## PRODUCT DISCLOSURE STATEMENT

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This Product Disclosure Statement (“PDS”) is dated 24th January 2024. This PDS has been lodged with and approved by Racing NSW. No liability as to the contents of this Product Disclosure Statement is accepted by Racing NSW, its officers, employees or agents. In particular (but without prejudice to the generality of this disclaimer) Racing NSW does not warrant, and has no responsibility for the commercial merits or prospects of the scheme referred to in this Product Disclosure Statement, the manner in which the syndicate may operate, or the taxation advantages (if any) to which the scheme may give rise. Potential investors’ financial circumstances may vary, and accordingly, Racing NSW recommends that potential investors obtain independent financial and legal advice in relation to the scheme and how it might apply to their circumstances should they decide to invest in the scheme.”

### 1. DISCLOSURE AND COMPLIANCE WITH ASIC CORPORATIONS (HORSE SCHEMES) INSTRUMENT 2016/790

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This PDS has been compiled by the Promoter for presentation to prospective investors in compliance with the disclosure requirements for the public offering of shares in Horse Racing Syndicates to be operated in accordance with the requirements of ASIC Corporations (Horse Scheme) Instrument 2016/790 (**ASIC Instrument**).

Investors should be aware that the Syndicate will be registered with Racing Australia (RA) within a reasonable period of (and no later than 45 days after) it being fully subscribed and that the Syndicate will be operated by the Offeror as Syndicate Manager for the benefit of the Owners in accordance with the requirements of the ASIC Instrument and the provisions of the Syndicate Deed.

In compliance with the ASIC Instrument the total value of the offer does not exceed \$500,000 or exceed 50 participants.

### 2. STATEMENT TO PROSPECTIVE INVESTORS AS TO THE COMMERCIAL MERITS OF THE OFFER AND RECOMMENDATION REGARDING THE SEEKING OF ADVICE

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The commercial merits of investing in Shares offered in this PDS should be regarded as being of a speculative nature. The investment is not recommended for Investors who are unable to risk the initial outlays and ongoing commitments. Prior to entering into this investment, prospective investors should read this PDS in its entirety and are advised to consult their independent licensed financial or investment adviser, legal, taxation and other professional consultants (including bloodstock consultants) in assessing the potential merits of the investment. The only information authorised by the Promoter to be provided to prospective investors is that contained in this PDS and no person is authorised to give any information or to make any representations in connection with the Offer other than the information and representations which are contained in this PDS.

### 3. PURPOSE OF SYNDICATE

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It is contemplated that the Syndicate of participants (owners) will obtain the benefit of racing the COLT in Australia.

### 4. ISSUE

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The owner of Unnamed 2022 CHESTNUT COLT by YES YES YES from NOVEMBER RAIN (NZ) (“the COLT”) and the seller of Shares the subject of this PDS is Mailbag Bloodstock Pty Ltd of 55 Seaford Grove, Seaford VIC 3198 (“the Offeror”).

The COLT was offered by Coolmore Stud (As Agent) in the 2024 Gold Coast Magic Millions Yearling Siae in January 2024. The COLT was purchased by Mailbag Bloodstock for the purchase price \$88,000 including GST. This horse has been purchased under credit offered by the auction house and title will pass to the investors upon the offer being fully subscribed. When fully subscribed written notice will be provided to RNSW confirming that unencumbered title has passed to the Syndicate prior to registration.

The COLT is a 2yo and is unraced. His sire YES YES YES was Champion 3YO Colt in Australia in 2019-20. He had 4 wins, 3 as a 2YO. The COLTS Dam NOVEMBER RAIN (NZ), STRAVINSKY was a winner on 5 occasions. Winner a Group 2 race and 2<sup>nd</sup> place in 2 Group 1s.

The ownership of the COLT is being syndicated into forty (40) equal Shares. There will be no more than 50 owners.

When either fully subscribed or the minimum subscription has been achieved written notice will be provided to Racing NSW confirming that unencumbered title has passed to the Syndicate prior to registration.

All 40 Shares are being offered for sale in this offer. However, if there are 8 or less Shares (20%) remaining on the day immediately prior to the Closing Date, the Seller will retain the remaining Shares then available in order for the Syndicate to be fully subscribed.

The Offeror proposes to offer Shares to prospective investors at the price of **\$2,990** per 2.5% per share inclusive of GST. A 5% equates to **\$5,980** and a 10% share equates to **11,960**.

This upfront cost of the share includes **all** associated agistment, breaking in and training costs to 29th February 2024. This costs does include Nomination Fees, Acceptance Fees and Interstate transport costs.

<b>Mailbag Bloodstock Pty Ltd</b>	
<b>YES YES YES x NOVEMER RAIN (NZ)</b>	<b>Inc GST</b>
Yearling Acquisition Price	\$88,000.00
Bloodstock Fee (inc Mailbag's analysis of pedigree, biomechanics, progeny and Bloodstock fee to Bloodstock agent David Bourne )	\$8,000.00
Magic Millions Race Series Entrance Fees	\$6,600.00
MMs Yearling Scoping Fees & Veterinary Examination	\$900.00
Transport from Magic Millions	\$1,000.00
Agistment to 29.02.2024	\$3,000.00
Syndicate registration fee	\$275.00
Transfer of ownership fee	\$220.00
Stable Connect Legal Fees	\$2,500.00
Racing Australia PDS Fee	\$185.00
Marketing	\$920.00
Mailbag Bloodstock Margin	\$8,000.00
<b>Total (incl GST)</b>	<b>\$119,600.00</b>

The Shareholder shall be liable for all expenses incurred in maintaining and caring for the COLT from 1<sup>st</sup> March 2024.

The Offeror, Promoter, Syndicate Manager or Racing Manager or any of their associates shall not be receiving any administration fee from the Trainer.

## **5. OWNERS' PRIVILEGES**

There will be no more than 50 owners. Each owner regardless of the shareholding they hold will be entitled the same service and provided an equal ownership experience.

Each owner will be provided with the following benefits and privileges:

## 5.1 Registered Owner Rights

- (a) Admission and membership ticketing
- (b) Mounting yard access to liaise directly with the Trainer and Jockey and witness the pre-race riding instructions and post-race debrief
- (c) Access to the on course Owners' Lounge, where available
- (d) Owners' car parking at metropolitan and country meetings
- (e) Complimentary racebook
- (f) General admission to non-feature metropolitan and country racedays, regardless of whether the horse is running.

## 5.2 Race Day Ticketing & Hospitality

- (a) Depending on the number of tickets available to the horse, Mailbag Bloodstock Pty Ltd will use their very best endeavours to secure additional raceday ticketing for guests of owners.
- (b) A senior Mailbag Bloodstock Pty Ltd.'s representative will be on hand at all competing races to host the owners' group.
- (c) All owners will be named in the racebook in which the horse is competing.

## 5.3 Owner Relations and Communications

It is Mailbag Bloodstock Pty Ltd.'s objective to ensure that a premium owner relationship program is provided to all Mailbag Bloodstock Pty Ltd.'s owners. This will include, but not limited to:

Regular communications from the trainer and Mailbag Bloodstock Pty Ltd.'s executive in relation to all aspects of the horse's welfare and racing career. These communications will take the form of electronic voice messages, written reports, images and video action of the horses' activities.

- (a) Regular functions will be held at the Stables for owners, family and friends including Sunday brunches and Open Nights.
- (b) All owners will have the opportunity to have input into the name of the horse. Mailbag Bloodstock proposes to invite suggestions from each owner followed by a voting process.

## 6. HOW TO INVEST

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All Applications for Shares must be made on the enclosed Application Form.

Shares shall be allotted upon payment. Legal and equitable title to the COLT shall pass to those applicants whose applications for Shares have been accepted and the offer is fully subscribed.

The Promoter reserves the right to close the offer or extend the Offer closing date at any time after the Offer opening date without notice, a consequence of which will be that the allotment date of the Shares will vary with any change in the Offer closing date.

## 7. INVESTORS FUNDS

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All investors' funds are held in a separate bank account ('syndicate' account) on trust.

If the syndicate is not fully subscribed by *(6 months after approval date)* or if Racing NSW refuses to register the syndicate, all application moneys held in trust, together with interest, will be returned to applicants within 10 business days.

All expenses incurred by the Promoter will be paid in full when the trust account is closed and where some of the services to be provided to the horse have not yet been rendered then funds needed to pay for those services shall be held in a separate account until paid.

## 8. OFFEROR

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The Offeror is Mailbag Bloodstock Pty Ltd of 55 Seaford Grove, Seaford, Melbourne, VIC 3198, being the Authorised Representative (001293173) of Stable Connect Ltd of Level 10, IBM Building, 60 City Rd, Southbank VIC 3006 (the holder of Australian Financial Services Licence - AFSL 336964)

**Mailbag Bloodstock Pty Ltd** is a boutique racing and syndication operation and works exclusively with leading trainers, by hand selecting quality racehorses.

The Director of Mailbag Bloodstock Pty Ltd is *Jack Dickens*.

**JACK DICKENS** Jack Dickens is founder and CEO of The Mailbag Pty Ltd. The Mailbag is a specialist team of form analysts covering thoroughbred racing in Australia.

## 9. PROMOTER

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The Promoter is Stable Connect Limited which holds the ASIC approved Australian Financial Services Licence No. 336964 and is an approved promoter with Racing NSW the lead regulators for racehorse syndication in New South Wales.

The Directors of Stable Connect Ltd are:

- **ADAM TIMS B Comm.** Adam Tims is an Executive Director of Stable Financial specialist in the provision of accounting, tax and business solutions to the thoroughbred horse industry. He is also Company secretary and Treasurer of Thoroughbred Breeders Australia (TBA) and Aushorse Marketing.
- **TIM JOHNSON B Ec. LLB.** Tim Johnson is Company Secretary and Director of Stable Connect Limited. Tim has been involved in the Thoroughbred industry since a very young boy when he often walked the Moonee Valley track with his grandfather W. S (Bill) Cox. In his teenage years he keenly followed every horse his other grandfather Walter Johnson bred but in particular the champion 'Vain'. As past President of Thoroughbred Breeders Victoria (TBV) and Vice President of Thoroughbred Breeders Australia (TBA) Tim has a direct involvement in the administrative and policy development of all issues relating to the Breeding industry. Tim also operates the law practice known as Stable Legal.

## 10. SYNDICATE MANAGER

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Mailbag Bloodstock Pty Ltd shall act as Syndicate Manager, as first appointee of the Owners in accordance with the provisions of the Syndicate Deed any rules regulations or guidelines made by the Lead regulator in relation to the Syndicate Manager or management of the COLT.

The COLT will race in the Mailbag Bloodstock Pty Ltd colours.

## 11. RACING MANAGER

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The Racing Manager shall be appointed by the Syndicate Manager. The first appointee of the Syndicate Manager as Racing Manager is Jono Rayner.

Jono Rayner has agreed to act as Racing Manager of the Syndicate.

## **12. TRAINER**

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The trainer shall be appointed by the Racing Manager. The first appointee of the Racing Manager as trainer is Gai Waterhouse & Adrian Bott, NSW. Gai Waterhouse & Adrian Bott have agreed to train the COLT and a copy of his acceptance letter to train the COLT is attached.

## **13. VETERINARY REPORT**

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Dr Adam Mathews has provided a veterinary report as to the suitability of the COLT for purchase as a racehorse.

## **14. INSURANCE**

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The COLT is insured until 31 January 2025 for the sum of \$88,000. This cost is not included in the share price and will be invoiced directly to owners in their first monthly bill for their pro rata share of the cost. At the conclusion of the cover the COLT will not be reinsured and after this date each Owner of a Share must make their own insurance arrangements.

## **15. REGISTRATION**

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The Offeror will register the syndicate with the Lead Regulator within 45 days after, i) applications for the minimum number of interests in the syndicate are received, or ii) the minimum amount for the syndicate has been raised, provided this step is not required (in the above time) if the time period elapsed since the PDS was approved by the Lead Regulator is under 6 months and shares remain. In such instance the Promoter will register the syndicate with the Lead Regulator within 45 days of the final share being sold in the scheme.

Any interest registered against the title to the COLT on the Personal Property Security Register (PPSR) has been released or will be released. The Promoter, will before or on registration of the syndicate with Racing NSW, confirm to Racing NSW that the PPSR registration has been released.

Within 45 days after applications for the minimum number of interests in the syndicate are received or the minimum amount for the syndicate has been raised will be registered with Racing NSW.

## **16. INTERESTS OF THE OFFEROR, PROMOTER, SYNDICATE MANAGER, RACING MANAGER, THEIR DIRECTORS AND EXPERTS**

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- 16.1 The Offeror OR the Promoter, Syndicate Manager, Racing Manager or any of their associates declares that it has never had before the date of this PDS any interest in relation to the promotion of the Syndicate or in the COLT other than the interests detailed in this PDS.
- 16.2 The Offeror OR the Promoter, Syndicate Manager, Racing Manager or any of their associates declares it has never held a financial or beneficial interest in or held any rights to the Sire or the Broodmare of the Horse subject to this scheme nor are entitled to a free service to the horse's sire
- 16.3 The Offeror, Promoter, Syndicate Manager or Racing Manager or any of their associates do not directly influence experts such as Trainers, Veterinarians or Valuers to provide advice that is biased, nor do these experts have any commercial reason to provide advice which is biased.
- 16.4 Dr Mathews has no interest in relation to the promotion of the Syndicate or in the COLT except that he will receive a professional fee in connection with the provision of the Veterinary Report.
- 16.5 The Offeror, Promoter, Syndicate Manager or Racing Manager or any of their associates believe the price accepted by the Vendor at the fall of the hammer at the Sale is a correct value for the COLT as is the correctness of the Veterinary Certificate provided by Dr. Mathews.
- 16.6 The Offeror, Promoter, Syndicate Manager or Racing Manager or any of their associates have no knowledge of any fact or occurrence which may render the value of the COLT or the current Veterinary Certificate materially inaccurate.

- 16.7 There is nothing in the Syndicate Deed to prevent either themselves or any members, officers, directors of the Offeror, Promoter, Syndicate Manager, Racing Manager or any corporation related to any of them or their officers from purchasing, holding, dealing in or disposing of Shares in the Syndicate, or from otherwise contracting or acting as agent or entering into or being interested in any contract or transaction whatsoever with any other of them or with any Shareholders, provided that those persons shall act, in connection with such transactions, in a fiduciary relationship of utmost good faith to Shareholders.
- 16.8 In the instance where the Offeror, Promoter, Syndicate Manager, Racing Manager and/or Trainer retain a share in the horse, the share is a commercial investment and the appropriate fees are apportioned to the Offeror, Promoter, Syndicate Manager, Racing Manager and/or Trainer as they are to all shareholders.

## **17. SUMMARY OF RIGHTS AND LIABILITIES ATTACHING TO SHARES IN THE SYNDICATE AND OTHER RELEVANT INFORMATION**

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The full rights and liabilities attaching to Shares in the Syndicate are set out in the Syndicate Deed annexed to this PDS. Each prospective purchaser of a Share ("the Purchaser") should refer to that document for full information as he or she will be bound by its terms. Some essential points are as follows:-

- 17.1 Neither the Offeror nor any person or corporation named in the Syndicate Deed nor any one on their behalf makes any representation or warranty with regard to either:
- (a) The suitability of the COLT either for racing or, if relevant, subsequently for stud duties; or
  - (b) The reliability or adequacy of any insurance cover either arranged for the benefit of the Owners or referred to in either this PDS or the Syndicate Deed.

Each Purchaser of a Share must acknowledge entering into the Syndicate at his or her own risk and being aware that investment in the racing of thoroughbred horses is highly speculative.

- 17.2
- (a) The Owner of each Share shall be entitled to a pro-rata share of net prize money and bonuses earned by the COLT from racing, as provided in the Syndicate Deed.
  - (b) All trophies won by the COLT will be managed at the Discretion of the Racing Manager.
  - (c) The entitlements of the Owner are subject to the default provisions of the Syndicate Deed.

- 17.3
- (a) The Owner of each share shall be liable for a pro-rata share of costs associated with operating the Syndicate and racing the COLT, including, but not limited to, insurance, transport, veterinary, agistment, breaking-in, pre-training and racing expenses, as provided for in the Syndicate Deed.
  - (b) Investors should be aware that it is estimated the annual cost of operating the Syndicate (including training, racing, management and compliance) should not exceed an average of Four Hundred and Fifty dollars (\$450) per month, per 10% share however, this is an estimate only, as the actual cost will depend on many variable factors which are not possible either to forecast or foresee at this time.
  - (c) Mailbag Bloodstock Pty Ltd will invoice each Owner monthly for his or her pro rata share of all costs associated with the COLT. Each Owner will be required to pay his or her pro rata share of such costs directly to Mailbag Bloodstock in accordance with the terms on the invoice. The monthly amount payable by each owner to Syndicator will vary from month to month.
  - (d) The ongoing management fee payable to the Syndicate Manager will be included in the monthly bills.
  - (e) Expenses in future years may increase on those stated in this PDS.

- 17.4
- (a) In the event of either the sale of the COLT or any ownership interest in the COLT, or the sale of Shares by any of the Owners, a Commission of eight percent (8%) will be applicable to be paid to Mailbag Bloodstock. Trainer Gai Waterhouse and Adrien Bott *is* also entitled to a 5% share as prizemoney compensation for the horse being sold.



- (b) In the event the COLT , is a commercial stallion prospect the Syndicate Manager is appointed as Exclusive Agent to sell the horse on behalf of the owners, and clause 3.10 will be applicable should a successful sale take place and upon the COLT retiring to stud for commercial stud duties, the Syndicate Manager shall be entitled to two (2) free 'lifetime' Stallion Breeding Right in addition to any commission payable.
- (c) Pursuant to clause 3.11 should the COLT retire to stud for commercial stud duties, the Trainer shall be entitled to a Commission of five percent (5%) together with one (1) free 'lifetime' Stallion Breeding Right.
- (d) The trainer, Gai Waterhouse and Adrien Bott will charge an additional prizemoney commission equal to
  - (a) 5% (plus GST) of Prize money earned by the Horse for win in a race; or
  - (b) 5% (plus GST) of Prize money \$50,000 and over earned by the Horse for a place in a race;
- (e) In the event the Syndicate Manager receives an offer from a party who is not an Owner to purchase part or all of the COLT then pursuant to the Syndicate Deed if a majority being 60% of Owners accept the offer then the minority 40% are compelled to sell pursuant to the offer made.

17.5 Prior to committing to invest an Owner may elect to have the horse tested for a prohibited substance under the Australian Rules of Racing, with the cost of testing to be borne by all the Owners (whether or not they have elected to have the horse tested).

17.6 A procedure for handling internal complaints is provided by the provisions of clause 9 of the Syndicate Deed, which includes the right of an Owner, in certain circumstances, to have the dispute referred to the Australian Financial Complaints Authority ("AFCA") or any other such authority that make take its place, for determination by conciliation or arbitration.

Investors should be aware that the Offeror, Promoter, Racing Manager and or Syndicate Manager may acquire Shares in the Syndicate and that they may acquire any number of shares.

## **18. MARKETABILITY OF SHARES**

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An Owner will not be able to offer for purchase, or issue invitations to buy Shares, unless the prospective purchaser is provided with an Information Memorandum prepared by the Syndicate Manager in accordance with the provisions of the Syndicate Deed.

In addition, there are restrictions contained in the Syndicate Deed on the transfer of Shares. There will be no ready market for the shares. Each owner should consider the subscription as a long term investment.

## **19. WARNING**

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Investment in bloodstock must be considered to be of a speculative nature.

## **20. RISK**

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Fluctuations in the value and sale price of Shares should be anticipated. Factors which will influence both the value and sale price of Shares, without limitation, include:-

- 20.1 The COLT may not become a racehorse.
- 20.2 That not all racehorses earn prizemoney.
- 20.3 The COLT may die or her value be diminished as a consequence of accident, contraction of disease or natural cause.
- 20.4 Racecourse performances of the COLT and related bloodstock.
- 20.5 Insurance when secured may not cover all circumstances.

- 20.6 The level of demand for related bloodstock and bloodstock of equivalent calibre both at public auction and by private treaty.
- 20.7 The level of supply of related bloodstock and bloodstock of equivalent calibre both at public auction and by private treaty.
- 20.8 Any change in the current conditions affecting investment in the bloodstock industry, including level of prize money and taxation benefits available to bloodstock breeders.
- 20.9 Changing conditions within the Australian economy generally.
- 20.10 The price which buyers at public auction or by private treaty are willing to pay for the COLT if offered for sale may not reflect either the purchase price paid by the Offeror for the COLT or the sale price of the Shares offered by this PDS.

## 21. COOLING OFF PERIOD

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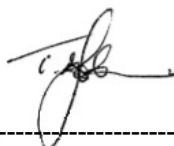
Each applicant for a share in this COLT has a 5 day cooling off period within which the Applicant may choose to notify the Promoter in writing by post or email of their decision to not proceed with the purchase of the share and upon the receipt of that notification the Promoter shall return any funds paid within 7 business days and remove the applicant as a shareholder or cancel the application.

## 22. PROMOTER and OFFEROR DECLARATIONS

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I Timothy Andrew Johnson, a director and duly authorised officer of the Promoter, Stable Connect Limited (AFSL 336 964) declare that:

- (a) The statements contained in this Product Disclosure Statement are true and correct; and not misleading in their form or content; and
- (b) This Product Disclosure Statement contains all information which prospective investors and their advisers would require and reasonably expect to find in a Product Disclosure Statement for the syndication of a horse for the purpose of making an informed assessment about investment in the syndicate.



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Timothy Andrew Johnson  
Director and duly authorised officer

I Jack Dickens, a director and duly authorized officer of Mailbag Bloodstock Pty Ltd being an Authorized Representative of Stable Connect Limited (AFSL 336 964) declare that:

- (c) The statements contained in this Product Disclosure Statement are true and correct; and not misleading in their form or content; and
- (d) This Product Disclosure Statement contains all information which prospective investors and their advisers would require and reasonably expect to find in a Product Disclosure Statement for the syndication of a COLT for the purpose of making an informed assessment about investment in the syndicate.



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Jack Dickens  
Director and duly authorised officer  
**Mailbag Bloodstock Pty Ltd (A.C.N 652 198 091)**  
**being Authorised Representative (No. 001293173) of Stable Connect Limited (AFSL 336 964)**

Account of **COOLMORE STUD (As Agent), Jerrys Plains, NSW.**



**Lot 1018** (100% GST) **CHESTNUT COLT** **Stable B 13**

Foaled 9th October 2022

Branded : **C** nr sh; 109 over 2 off sh

Sire	Rubick	Encosta de Lago .....	Fairy King
<b>YES YES YES</b>		Sliding Cube .....	Rock of Gibraltar
2016	Sin Sin Sin	Fantastic Light .....	Rahy
		Steam Heat .....	Salieri
Dam	Stravinsky	Nureyev .....	Northern Dancer
<b>NOVEMBER RAIN (NZ)</b>		Fire the Groom .....	Blushing Groom
2006	Lady Teruko	Kris S .....	Roberto
		Lady Reiko .....	Sadler's Wells

**YES YES YES (AUS) (Bay 2016-Stud 2020). Champion 3YO Colt in Australia in 2019-20. 4 wins-3 at 2-at 1100m, 1200m, A\$7,174,450, ATC Todman S., Gr.2, The Everest, 2d ATC Golden Rose S., Gr.1. Half-brother to SP Dee Nine Elle. Out of a half-sister to SW Hot as Hell, SW Flaming Hot and SW Craig's Dragon. Closely related to SW In Her Time, etc. Sire of the placegetters Yes Yes Tess, etc. His oldest progeny are 2YOs.**

**1st dam**

**NOVEMBER RAIN**, by Stravinsky. Joint third on 2009-10 NZ 3YO Free H. (1200m-1600m). **5 wins** at 1400m, 1600m, \$200,055, Waikato RC Cal Isuzu S., **Gr.2**, ARC Carbine Club Trophy, Co-Op Taxis H., 2d ARC Easter H., **Gr.1**, New Zealand Oaks, **Gr.1**, Waikato RC Sir Tristram Fillies Classic, **Gr.2**, ARC Sunline Vase, **L**, 3d Counties Cup, **Gr.2**, WRC Wellington S., **Gr.3**. This is her sixth live foal. Dam of three foals to race, **two winners**, inc:-  
No Rain Ever (f by No Nay Never). **Winner** at 1200m in 2023-24, 2d WRC Neteffext Payroll 2YO P.  
Mr Kirikanan (Mal.) (g by Pour Moi). **2 wins** at 1200m, 1400m in Malaysia and Singapore.

**2nd dam**

**LADY TERUKO**, by Kris S. Unraced. Sister to **CHOPPER WON**. Dam of 3 foals, all raced, **2 winners**, inc:-  
**NOVEMBER RAIN** (Stravinsky). **5 wins**. See above.  
Lady Eiko. **2 wins** at 1400m, 1600m, Counties RC Tuakau Cossie Club Racing Section H., 2d ARC More FM H. Dam of 2 winners-  
C'Est Moi. **3 wins** at 1200m, 1600m to 2023-24, Auckland TR Majestic Horse Floats H., Whangarei RC T and G Plumbing H.

**3rd dam**

**LADY REIKO**, by Sadler's Wells. **7 wins-1** at 2-5½f to 9f, \$303,562, Calder Breeders' Cup H., **L**, 3d Churchill Downs Cardinal H., **Gr.3**, Laurel Notches Trace S., **L**. Half-sister to **WILL'S WAY**, **WILLA ON THE MOVE**, **Citidancer**, **Sweet Willa** (dam of **HOLBERG**, **UNDERMINE**), Bethany (dam of **TIZWAY**, **TICKET TO SEATTLE**), Willa Joe (dam of **WILLA ON THE MOVE**), Ms Teak Wood (dam of **ACCEPTABLE**, **MILITARY MAJOR**). Dam of 10 foals, 7 to race, **5 winners**, inc:-  
**CHOPPER WON** (Kris S). **4 wins** 1m to 1½m, \$149,300, Delaware Park Cape Henlopen S., **L**, Belmont Allowance. Sire.

**4th dam**

**WILLAMAE**, by Tentam. **4 wins**, Keystone Mill Race H., **L**, 3d Bowie Barbara Fritchie H., **Gr.3**. Three-quarter-sister to **Facts Are**, half-sister to **TONG PO**, **Rackstraw**, **Precious Tiffini** (dam of **BOOMERANG**). Dam of 14 foals, 10 to race, **8 winners**, inc:-  
**WILL'S WAY** (Easy Goer). **6 wins** 7f to 1¼m, \$954,400, Saratoga Whitney H., **Gr.1**, Travers S., **Gr.1**, 3d Belmont Woodward S., **Gr.1**. Sire.  
**WILLA ON THE MOVE** (Assert). **6 wins-1** at 2-6f to 8½f, \$442,063, Keeneland Ashland S., **Gr.1**, 2d Keeneland Spinster S., **Gr.1**. Producer.  
**LADY REIKO** (Sadler's Wells). **7 wins**. See above.  
Bethany. Unraced. Dam of 5 winners-  
**TIZWAY** (Tiznow). **7 wins** 7f to 9f, \$1,359,274, Belmont Metropolitan H., **Gr.1**, Saratoga Whitney H., **Gr.1**, Belmont Kelso H., **Gr.2**. Sire.



# MAGIC MILLIONS SALES PTY LIMITED

GOLD COAST | HEAD OFFICE

PO Box 5246, GCMC, QLD 9726 AUSTRALIA (28 Ascot Ct, Bundall QLD 4217)

ABN 54-078-396-317

**P** +61 7 5504 1200 **F** +61 7 5531 6888 **E** info@magicmillions.com.au

[www.magicmillions.com.au](http://www.magicmillions.com.au)

Mr Jack Dickens  
MailBag Bloodstock Pty Ltd  
55 Seaford Grove  
SEAFORD VIC 3198

## 2024 GOLD COAST YEARLING SALE SATURDAY, 13 JANUARY 2024

### TAX INVOICE

Date: 16-Jan-2024

Account: MAILB

Invoice number: 319878

Terms: 60 Days

Lot	Description	Sire/Dam	Sale Price	GST	Total
1018	Ch. Colt	Yes Yes Yes (AUS)/November Rain (NZ)			
	Purchase of Lot 1018 at 2024 Gold Coast Yearling Sale		80,000.00	8,000.00	88,000.00
	Scoping for Lot 1018 at 2024 Gold Coast Yearling Sale		200.00	20.00	220.00
	Nomination to Full Race Series for lot 1018 at 2024 Gold Coast Yearling Sale		6,000.00	600.00	6,600.00
SUBTOTAL			\$86,200.00	\$8,620.00	\$94,820.00
TOTAL AMOUNT DUE					\$94,820.00



### PAYMENT OPTIONS

By EFT directly into our ANZ account:  
Magic Millions Sales Pty Ltd  
BSB: 014704  
Account: 353807627  
Swift Code: ANZ BAU 3M  
Please quote **MAILB** and **319878**  
Please email remittance to  
accounts@magicmillions.com.au

**Pay Online & Earn Points\***  
· Earn Credit Card & Qantas Points · Boost Cash Flow

[pay.b2bpay.com.au/magicm](http://pay.b2bpay.com.au/magicm)

\* Subject to B2Bpay and Qantas Business Rewards terms - visit b2bpay.com.au



Account	MAILB
Reference	319878
Amount Due	\$94,820.00



Magic Millions Insurance Brokers Pty Limited  
 ABN 12 107 459 290 AFSL No. 305391  
 Level 10, 1 Elizabeth Plaza, North Sydney NSW 2060  
 P.O. Box 1329 North Sydney NSW 2059  
 Tel (02) 8913 1650 Fax (02) 8569 2065  
 Website: www.magicmillionsinsurance.com

Shane Ciurleo  
 Mailbag Bloodstock Pty Ltd  
 5 Argus Court  
 Middle Ridge QLD 4350

**New Cover**  
**TAX INVOICE** **I1099683**

**Our Reference :** MMI NSY M9249 0345719/000

**Premium** 4,149.85

**Date :** 17.01.2024

**Stamp Duty** 410.84

**Class :** Bloodstock Mortality Schedule

**Broker Fee** 126.65

**Placed with :** Berkshire Hathaway Specialty Insurance

Premium GST 414.99  
 Fee GST 12.67

**Policy No. :** 47-ZGG-000630-01

**GST Total** 427.66

**Period :** 13.01.2024 to 31.01.2025

**Total Amount A\$** 5,115.00

**IMPORTANT NOTES**

INSURED NAME: Mailbag Bloodstock Pty Ltd

NEW POLICY FOR: MM Jan Lot 1018 - 2022 Yes Yes Yes/November Rain Colt

SUM INSURED: \$88,000 (purchase price + GST)

Your Account Manager is Megan Kelso

Email : megan@hqinsurance.com.au

**TERMS - NET 14 DAYS - Please forward your remittance to ensure cover. Please refer to your DUTY OF DISCLOSURE obligations and other important notices overleaf. Claims must be notified immediately as late notification may cause denial of liability in some instances. Unless we tell you otherwise in writing, we receive commission in addition to any broker fee mentioned above. Please ask us for any further information.**

**METHODS OF PAYMENT:**

Name of Bank : Australia & New Zealand Banking Group  
 Bank Address : 115 Pitt Street  
 Sydney NSW 2000 Australia  
 BSB : 012-003 Account Number : 8383 79632  
 Swift Code : ANZBAU3M (Overseas Currencies)  
 Reference Number : MMI NSY M9249

**Total Due A\$ 5,115.00**



**BPAY & Credit Card AUD Transactions only**



Biller Code : 237644  
 Reference : 010996830094

**Telephone & Internet Banking - BPAY®**

Contact your bank or financial institution to make this payment with your cheque, savings, debit or transaction account. More info: www.bpay.com.au  
 ® Registered to BPAY Pty Ltd ABN 69 079 137 518



Visit our website to pay using your Visa, Mastercard or Amex  
 www.magicmillionsinsurance.com  
 Client Ref: MMI NSY M9249 Invoice Ref: I1099683

Please note: A Merchant Service Fee inclusive of GST will be charged at 1.10% for Credit Card (Visa/Mastercard), 2% Amex and \$0.20 Debit Card.

**Pay Monthly**

**9 Monthly Instalments of \$ 618.92**  
 Please note initial instalment will include an application fee of \$ 60.00

**Total Amount Payable \$ 5,630.24**  
 Includes application fee & credit charges

To proceed with your funding and to complete your application, please visit: <https://hpf.online/3n6z71164n>

Application Number: 21204110

Refer overleaf for important information about Hunter and AUB Group



Post cheque payments together with this payment slip to:  
 P.O Box 1329 NORTH SYDNEY NSW 2059  
 made payable to Magic Millions Insurance Brokers



## SOME IMPORTANT THINGS YOU NEED TO KNOW

It is essential that you carefully read and understand the following important notices. If you have any questions, please ask us.

### **Make sure you comply with your Duty of Disclosure**

The Insurance Contracts Act 1984 requires that you, and everyone who is an insured under your policy, comply with the duty of disclosure. Make sure you explain the duty to any other insureds you may apply on behalf of. We do not do this unless specifically agreed in writing.

The duty requires you to tell the insurer certain matters which will help them decide whether to insure you and, if so, on what terms. You have this duty until the insurer agrees to insure you and before the insurer agrees to renew your policy. You also have the same duty before you extend, vary or reinstate an insurance policy. The type of duty that applies can vary according to the type of policy.

### **If you are responding for other insureds**

If you are providing information for other insureds, you confirm you have their authority to do so and that the information provided is what they have told you in response to the duty of disclosure obligations.

### **Avoid making misrepresentations or not telling the insurer something**

If you (or anyone who is an insured, or a proposed insured, under the policy) make a misrepresentation, or if you do not tell the insurer something that you are required to tell them, they may cancel your policy or reduce the amount they will pay you in the event of a claim, or both. If the misrepresentation or failure is fraudulent, the insurer may refuse to pay a claim and treat the policy as if it never existed.

If we act on behalf of the insurer, you need to refer to the policy which will set out the duty that applies. We will advise you when/if we act on behalf of the insurer.

If we act on your behalf, to assist us in protecting your interests, it is important that you tell us every matter that:

- you know; or
- a reasonable person in the circumstances could be expected to know, may be relevant to the insurer's decision whether to insure you and, if so, on what terms.

If in doubt it is better to tell us. We will then assist you in determining what needs to be disclosed to the insurer in order to meet your duty.

When you first apply for your policy, the insurer may ask you specific questions relevant to their decision whether to insure you.

Before an insurer agrees to renew your policy, you may again be asked specific questions by the insurer relevant to their decision whether to renew your policy.

When you answer any questions asked by the insurer, you must give honest and complete answers and tell the insurer, in answer to each question, about every matter that is known to you

and which a reasonable person in the circumstances would include in answering the questions. Examples of matters that should be disclosed are:

- any claims you have made in recent years for the particular type of insurance;
- cancellation, avoidance of, or a refusal to renew your insurance by an insurer;
- any unusual feature of the insured risk that may increase the likelihood of a claim.
- circumstances which may give rise to a claim.

An insurer who is deciding whether they are prepared to renew your policy, may give you a copy of anything you have previously told them and ask you to tell them if anything has changed. If an insurer does this, you must tell them about any change or advise that there is no change. If you do not respond then this will be taken to mean there has been no changes.

### **Delay between final entry into the policy and original disclosure of information**

You need to tell us if you have disclosure of information in the application process and something has happened that makes the information disclosed inaccurate, or new matters arise that would require disclosure under the duty. You must do this before the policy has been entered into (or renewed, varied, reinstated or extended as applicable).

### **Misstatement of Premium**

We try to tell you the correct amounts of premium and statutory and other charges that apply to your insurance. In the event that we misstate that amount (either because we have made an unintentional error or because a third party has misstated the amount), we reserve the right to correct the amount. Where permitted by law, you shall not hold us responsible for any loss that you may suffer as a result of any such misstatement.

### **Change of Risk or Circumstances**

You should carefully monitor and review that your insurance contract is adequate to cover your assets or business activities and seek a variation if it is not. Many policies require us to notify the insurer in writing of certain changes to the insured risk during the period of insurance. The insurer can then decide whether to cover the new risk. Examples are:

- For insurance covering property location changes, new business activities or any significant departure from your normal business operations.
- For insurance covering your liability to third parties changes to the nature of your business, and specifically in products liability, changes to your product range or your involvement in products not previously notified to insurers.

### **Interest of Other Parties**

Many policies exclude cover for an interest in the insured property held by someone other than the insured, unless that interest is specifically noted in the policy. For example, if property is jointly owned, or subject to finance, the interest of a third party such as the joint owner or financier may be excluded if it is not specifically noted on the policy. If you want the interest of any third party to be covered, please let us know, so that we can ask the insurer to note that party's interest on the policy.

### **Cancellation of your Policy**

If a policy is cancelled before the expiry of the period of insurance, we reserve the right to refund the net return premium we received from the Insurer or have a cancellation fee charged to offset the Insurers deduction of commission. Please ask us for any additional information you require about our remuneration or cancellation policy.

### **The Australian Financial Complaints Authority**

If you have any complaints about the service provided to you, you should contact us and tell us about your complaint. If the complaint cannot be resolved to your satisfaction within 30 days, you have the right to refer the matter to the Australian Financial Complaints Authority (AFCA):  
Online: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Phone: 1800 931 678  
Mail: Australian Financial Complaints Authority  
GPO Box 3 Melbourne VIC 3001

### **Important Notice about your Austbrokers Broker and Hunter Premium Funding Agreement**

#### **Austbrokers role and remuneration**

Your Austbrokers Broker and AUB Group Limited ('AUB') (ABN 60 000 000 715) have a preferred supplier arrangement with Hunter Premium Funding Pty Ltd ('Hunter') for the arrangement of premium funding. They do not act for Hunter and do not advise on whether Hunter's products or services are right for you or are most appropriate. You need to make your own decision based on the information provided.

If you use Hunter, your Austbrokers Broker receives:

- (a) a payment based on the interest earned on the premium funding by Hunter each month;
- (b) a commission which is a percentage of the amount of funding provided to you;
- (c) a payment based on a percentage of all outstanding loans less any cancelled or terminated loans; and
- (d) a payment based on a percentage on certain general insurance business placed by the Austbrokers Network with certain divisions of Allianz Insurance Ltd.

AUB receives certain upfront payments from Hunter for entering into (or renewing) a preferred supplier arrangement with Hunter. Your Austbrokers Broker is owned [partly/wholly] by AUB and benefits from any profit made by this entity due to this arrangement.

If your loan is cancelled, your Austbrokers Broker and AUB keep any payments received pursuant to the above arrangement with Hunter. If you need more information or explanation of the above, please ask us.

### **Cancellation of your Policy(ies) on request of Hunter**

Your Loan Agreement with Hunter allows your Austbrokers Broker, on receipt of a notice from Hunter requesting cancellation of any policy specified in the Loan Agreement with Hunter, to cancel the policy and provide the relevant refund to Hunter. Your Austbrokers Broker will notify you of any such cancellation.

## COVERAGE SUMMARY

Mailbag Bloodstock Pty Ltd  
Bloodstock Mortality Schedule

### IMPORTANT NOTICE

We provide our financial services under the terms and conditions noted in our Financial Services Guide and Privacy Collection Notice issued to you. If you do not have one of these documents, please call us on the number shown above or visit our website. You must read these documents before proceeding and by proceeding you represent and warrant you have received and read it. We are committed to protecting your privacy in accordance with the Privacy Act and the Australian Privacy Principles. Full details about our privacy practices can be found in our Privacy Policy available at our website or by contacting us for a copy. The following is a summary cover only. For full terms and conditions including definitions, conditions, other limits and exclusions, please refer to your Policy Document or Product Disclosure Statement. We would like to remind you, that if this policy is cancellable and you cancel before the expiry date, we will refund the unused premium less our fee and commission. The Insurer or Agency may also impose a fee on Cancellation. **Any errors identified in the summary below must be reported to your Account Manager for amendment.**

#### BLOODSTOCK INSURANCE SCHEDULE

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WE ACT FOR THE INSURER NOT YOU

We arrange for the issue, variation or disposal of the insurance as agent for the insurer. This means that we act in the insurer's interests, not yours. This does not apply when we are issuing a new policy (other than at fall of hammer), if your policy is not renewed, or the handling and settlement of any claims.

ASSURED: Mailbag Bloodstock Pty Ltd  
and others for their respective rights and interests.

TYPE OF COVER: All Risks of Mortality

1 Description: **UNNAMED (Yes Yes Yes x November Rain)**  
DOB: **2022** Sex: **Colt** Use: **Rearing/Training**  
Sum Insured: \$ **88,000** Interest: **100** % State: **QLD** Country: **AU**

TOTAL LIMIT OF  
UNDERWRITERS  
LIABILITY: \$ **88,000**

SITUATION: Whilst anywhere in Australia/New Zealand including transit  
within and between said countries.

POLICY WORDING VERSION: MM BHSI v1.4

EXTENSIONS INCLUDED  
Post-Mortem & Carcass Removal Extension  
Theft

EXTENSIONS AVAILABLE As either charged for or as agreed by Underwriters  
Renewal Extension INCLUDED  
Non Renewal Extension INCLUDED  
Life Saving Surgery up to \$10,000 **NOT INCLUDED**  
Life Saving Surgery up to \$15,000 **NOT INCLUDED**

NOTE: LIFE SAVING SURGERY LIMIT IS BASED ON 100% INTEREST AND ADJUSTED  
FOR YOUR SHARE IN THE EVENT OF A CLAIM OCCURRING.

## COVERAGE SUMMARY

Mailbag Bloodstock Pty Ltd  
Bloodstock Mortality Schedule

Please note Premium for the LIFE SAVING SURGERY extension is earned in full. If your policy is cancelled, no return premium for this extension is applicable.

### DEATH/INJURY/ILLNESS NOTIFICATION

In the event of Death, Injury or Illness of your horse, it is a policy requirement that immediate notification is advised to the offices of HQ Insurance and if outside business hours, as per the following contacts:-

Dean Morley                      Mobile 0428 197 023  
Vaunie Aldridge                Mobile 0447 744 500

Dr. Andrew Dart                Mobile 0412 460 041  
(For emergency Veterinary Consultation) University of Sydney

### COMPLAINT AND/OR DISPUTE RESOLUTION

If you have any complaints about the service provided to you, please contact the Complaints Manager:

Mail:                                HQ Insurance Pty Ltd  
                                          PO Box 1329  
                                          North Sydney NSW 2059  
Phone:                                (02) 8913 1640  
Email:                                admin@hqinsurance.com.au

If your complaint remains unresolved after 30 calendar days, you may be able to refer your complaint to the Australian Financial Complaints Authority (AFCA) under the terms of the General Insurance Code of Practice.

This is a free service. AFCA's contact details are:

Mail:                                Australian Financial Complaints Authority  
                                          GPO Box 3  
                                          Melbourne VIC 3001  
Phone:                                1800 931 678  
Email:                                info@afca.org.au

### BERKSHIRE HATHAWAY COMPLAINTS HANDLING

If you wish to express some dissatisfaction with our claims decision or have any issue in respect of your insurance or your relationship with us we would like the opportunity to resolve this with you.

To access our internal complaints process please contact us via the contact details below. Your complaint will be assigned to an appropriately qualified internal reviewer, who will acknowledge receipt of your complaint and complete an independent review of the complaint. When acknowledging your complaint, we will provide you with the contact details for the internal complaint reviewer and will commit to keep you informed around the progress of your complaint at least every 10 business days,



## COVERAGE SUMMARY

Mailbag Bloodstock Pty Ltd  
Bloodstock Mortality Schedule

whilst only asking for and relying upon information that is relevant to our decision.

If we can resolve your complaint within 5 business days, we will not respond in writing unless you request us to do so, or your claim is declined or if your complaint is related to Financial Hardship. We will endeavor to make a decision about your complaint within 30 calendar days, with our written response setting out the reason(s) for our decision.

Berkshire Hathaway Specialty Insurance Company  
Mail: GPO Box 650 Sydney NSW 2001  
Email: [complaints.australia@bhspecialty.com](mailto:complaints.australia@bhspecialty.com)

### PRIVACY NOTICE

We value your privacy. Our Privacy Policy sets out how we collect, disclose and handle personal information under the Privacy Act and the Australian Privacy Principles.

By providing us such information you consent to these practices unless you tell us otherwise. Our Privacy Policy and our Financial Services Guide (FSG), which contains important information about HQ Insurance Pty Ltd and the services we provide, can be found on our website <https://hqinsurance.com.au>

The privacy notice of your insurer Berkshire Hathaway Specialty Insurance is available at <https://bhspecialty.com/aus/aus-disclosures/>

PLACED WITH	POLICY NUMBER	PROPORTION
Berkshire Hathaway Specialty Insurance A.B.N. 84 600 643 034	47-ZGG-000630-01	100.0000%



## **ASTUTE EQUINE Pty Ltd**

P.O.Box 4093 Essendon Fields VIC 3041

Mob: 0499 912 760

"Specialising In Equine Performance & Bloodstock Sales"

### **Astute Equine Pty Ltd**

P.O.Box 4093, Essendon Fields, Vic, 3041.

A.C.N. 36 656 126 242

Dr Adam Matthews B.V.Sc

Phone: 0499 912 7670

Email: astuteequine@gmail.com

16/1/2024

### **VETERINARY CERTIFICATE**

**Animal Presented As:** Lot 1018 - Sire- YES YES YES (AUS) Dam- NOVEMBER RAIN (NZ)

**Signalment:**

On 12<sup>th</sup> January 2024, I examined the 2022 Chestnut Colt YES YES YES/NOVEMBER RAIN at 2024 Magic Millions GC Yearling Sale, Gold Coast Sales Complex, Queensland, Australia.

**Brands:** NS- C  
OS- 109 over 2

**Exam Requested By:** Mailbag Bloodstock

**Findings:** In my opinion, based on physical examination, endoscopic examination and review of yearling X-rays, the colt is suitable for syndication as a racehorse.

**Veterinarian:** Dr Adam Matthews

This certificate has been prepared for inclusion in the disclosure statement by the Horse Syndicate and at the time of examination could be relied upon as a true document.

The issuing veterinarian has no financial or other interest in the Horse Syndicate or monies raised from the syndicate.

**Signature:**

**Adam Matthews B.V.Sc**

Astute Equine

Racing NSW  
Level 7/51 Druitt St,  
Sydney  
NSW 2000



15th January, 2024

Dear Sir/Madam,

Gai Waterhouse and Adrian Bott are pleased to confirm that the below mentioned thoroughbred was secured by The Mailbag Bloodstock from the Magic Millions Gold Coast Sale Lot 1018:

Yes Yes Yes x November Rain (NZ) 2022 colt

We, Gai Waterhouse & Adrian Bott, hereby agree to train the Yes Yes Yes x November Rain (NZ) 2022 colt for the syndicate being formed by The Mailbag Bloodstock from our stables at Randwick in accordance with our standard terms of trade.

We offer this letter for inclusion with The Mailbag Bloodstock Product Disclosure Statement for the above described horse. We advise that we have had no previous association or any financial interest with this horse prior to being asked to train it for The Mailbag Bloodstock.

We look forward to training this horse.

Yours faithfully,

Gai Waterhouse and Adrian Bott  
Trainers

**Gai Waterhouse**  
Gai Waterhouse Racing

**Adrian Bott**  
Gai Waterhouse Racing



## GAI WATERHOUSE RACING (ABN 60 614 041 584)

16 Bowral Street, KENSINGTON, NSW, 2033, AUSTRALIA; Postal Address: PO Box 834, KENSINGTON, NSW, 1465, AUSTRALIA  
Tel: +61 (2) 9662 1488; Fax: +61 (2) 9662 6328; Email: accounts@gaiwaterhouse.com.au; Website: [www.gaiwaterhouse.com.au](http://www.gaiwaterhouse.com.au)  
Sydney Stables: Randwick Racecourse Melbourne Stables: Flemington Racecourse

This document is our Training Agreement. It will apply to each Horse from the time it is delivered by the Owner or the Owner's agent and accepted by us onto the Property. Delivery of the Horse will constitute the Owner's acceptance of all terms and conditions.

### TRAINING AGREEMENT – TERMS AND CONDITIONS [from 01/03/2019]

**THIS AGREEMENT** will operate from the Effective Date.

**BETWEEN: The Proprietor**  
**AND: The Owner**

#### RECITALS

- A. The Proprietor is a provider of horse training and ancillary services.
- B. The Owner is the owner or lessee of the Horse.
- C. The parties have agreed that the Proprietor will accept delivery of the Horse and provide the services in accordance with this Agreement.

**BY THIS AGREEMENT it is agreed as follows:**

#### 1. APPOINTMENT

- 1.1 The Proprietor will:
  - (a) take possession and day-to-day control of the Horse; and
  - (b) exercising reasonable care, skill and diligence, provide the services in a proper and efficient manner in accordance with normal standards applying in relation to the training and racing of thoroughbred racehorses.
- 1.2 Despite Clause 1.1, but subject to clause 11, all risk in relation to the physical well-being of the Horse will remain with the Owner.
- 1.3 (1) This Agreement:
  - (a) is subject to the Rules of Racing, including the TOR Rules;
  - (b) excludes and replaces the terms of the TOR Standard Training Agreement, as permitted by TOR Rule 1; and
  - (c) is irrevocable and legally binding upon the parties from the Effective Date.(2) Any right or obligation accruing under this Agreement during the Term will not be affected or prejudiced by it ending. The Proprietor is relieved of any further obligation from the End Date.

#### 1.4 ASSOCIATED ENTITIES

- (1) Additional services may be provided by Associated Entities of the Proprietor. If any such additional services are provided by an Associated Entity of the Proprietor, and such Associated Entity does not have a separate agreement with the Owner in relation to the provision of those additional services, then the Owner agrees that this Agreement will apply *mutatis mutandis* to the agreement between the Owner and the Associated Entity for the provision of those additional services.
- (2) Without limiting paragraph (1), the Owner acknowledges and agrees that in agreeing paragraph (1), the Proprietor does so for the Proprietor's own benefit, and as agent of and trustee for each Associated Entity of the Proprietor who is or may be entitled to the benefit of the Owner's covenants in paragraph (1) (with each Associated Entity entitled to enforce those covenants against the Owner in its own name and style).

#### 1.5 MULTIPLE PARTY OWNERSHIP ARRANGEMENTS

- (1) If multiple parties own the Horse:
  - (a) this Agreement binds them both individually and collectively; and
  - (b) either the first-named registered Owner or such other person nominated by the Owners will be the manager (Manager) and deemed duly authorized agent of all of them for all dealings with the Proprietor in relation to the Horse under this Agreement and the Rules of Racing.
- (2) CO-OWNERS  
Unless otherwise agreed with the Proprietor, if the multiple parties who own the Horse are co-owners, they will be severally liable for the proper performance of the Owners' obligations under this Agreement. Consequently, clauses 12, 13 and 17 will apply to each co-owner's interest in the Horse, EXCEPT for:
  - (a) clauses 12.2(a) and 17.1(b), which will apply to the whole Horse; and
  - (b) clause 17.3, which will apply to the whole Horse if co-owners of at least 50% of the Horse are in breach of their obligations under this Agreement.

- (3) If co-owners, each co-owner expressly and irrevocably authorises the Proprietor to give notice to the Manager and the other co-owner(s) of any breach by such co-owner of a material obligation under this Agreement, including any payment obligation.

#### 2. DELIVERY AND REMOVAL OF HORSE

The Owner or the Manager must:

- (a) complete all procedures and documentation required by the Proprietor prior to delivering the Horse to the Property on the day and at the time specified by the Proprietor; and
- (b) comply with a direction given by the Proprietor at any time to remove the Horse from the Property.

#### 3. SERVICES

- 3.1 The Proprietor's services include (without limitation):
  - (a) training and racing the Horse to best advantage;
  - (b) caring for and maintaining the Horse, including:
    - (i) providing stabling and ancillary facilities, equipment and gear, feed and supplements; and
    - (ii) providing [or as the agent of the Owner procuring the services of such Third-party Service Providers as the Proprietor may consider necessary to provide] transportation, agistment, breaking-in and pre training, chiropractic care, dentistry, farriery and veterinary care;
  - (c) communicating verbally (either in person or by telephone or voice message) or in writing (either by post, email, text message or facsimile) on a regular basis with the Owner or the Manager in relation to the care, training and racing of the Horse, including:
    - (i) its general well-being and progress;
    - (ii) its proposed racing program and race performances (pre and post-race reports), including when it is nominated and accepted for any trial or race;
    - (iii) when it changes location or is relocated from the Property for any reason, including (without limitation) to race interstate or overseas, for agistment or pre-training, to a veterinary clinic or sales complex, or because this Agreement has ended; and
    - (iv) if it dies, or suffers a material illness or injury;
  - (d) determining in consultation with the Owner or the Manager the racing program of the Horse and the jockey who will ride it in each of its races; and
  - (e) as the representative of the Owner or the Manager, entering (including nominating and accepting) the Horse for or scratching it from any race or trial, at the Proprietor's discretion, unless otherwise specifically agreed with the Owner or the Manager.
- 3.2 The Proprietor must obtain the Owner's or the Manager's approval before authorizing that the Horse:
  - (a) be relocated to race in another jurisdiction either within Australia or overseas;
  - (b) be entered for any race for which the total of nomination and acceptance fees is likely to be more than \$2,000; or
  - (c) undergo surgery or receive any extraordinary (other than routine) veterinary or other treatment, the cost of which is likely to be more than \$2,000.
- 3.3 If the Horse is an Entire, the Proprietor must obtain the Owner's or the Manager's approval before authorizing that it be gelded.
- 3.4 Except in circumstances that do not afford the Proprietor the opportunity to obtain veterinary advice and the Owner's or the Manager's approval, the Proprietor must not authorize that the Horse be euthanized because of accident, illness, injury or other cause, unless such action is recommended on humane grounds and certified by a qualified equine veterinarian retained at the discretion of the Proprietor or Principal Racing Authority.
- 3.5 The Manager must obtain the approval of the parties comprising the ownership arrangement (in accordance with the terms of that arrangement) before authorizing the Proprietor

- to take the actions contemplated by clauses 3.2, 3.3, 3.4 and 18.
- 3.6 If the Proprietor, at any time, arranges for the Horse to be either:
- (a) relocated to another property which is not operated by the Proprietor; or
  - (b) offered for sale, sold or otherwise disposed of on behalf of the Owner;
- such arrangement will be made by the Proprietor as the Owner's agent and the Proprietor will no longer be responsible to the Owner either for the care and well-being of the Horse, or for fees and charges incurred.
- 4. FEES AND EXPENSES**
- 4.1 **FEES NOTICE**
- (1) The Proprietor's current basic fees and charges, together with the mandatory allocation of Prize money prescribed by the Rules of Racing, are set out in the Fees Notice.
  - (2) The Proprietor must, within 7 days of being appointed as the trainer of the Horse, provide to the Owner or the Manager, a copy of the Fees Notice. The Owner or the Manager will then have 14 days to resolve with the Proprietor any query or objection in relation to the Proprietor's fees and charges. In any event, the Owner or the Manager must resolve such query or objection prior to delivering the Horse to the Property.
  - (3) The Proprietor may impose reasonable additional charges for additional services. Fees and charges of Third-party Service Providers are in addition to the Proprietor's fees and charges.
- 4.2 The Proprietor may vary the Proprietor's fees and charges, including additional remuneration and gratuities, but must provide an amended Fees Notice to the Owner or the Manager 14 days prior to implementing the increase.
- 4.3 **LIABILITY FOR PAYMENT**
- The Owner must pay or reimburse the Proprietor and any Third-party Service Provider in accordance with such party's normal trading terms:
- (a) all fees and expenses of caring for, training and racing the Horse, including (without limitation) agistment, pre-training and training fees, race entry fees (nomination, entry and acceptance), chiropractic, dentistry, farriery and veterinary fees, and transportation costs; and
  - (b) the mandatory allocation of actual or advertised Prize money to the Proprietor, the jockey and other named parties, prescribed by the Rules of Racing or race entry conditions and distributed directly to each of them via the Principal Racing Authority's stakes payment system or other means.
- 4.4 The Owner must pay or reimburse the Proprietor upon demand the amount of any invoice rendered directly to the Proprietor by a Third-party Service Provider.
- 4.5 The Proprietor may require the Owner to advance to the Proprietor money to cover the estimated cost of specified race entry fees, surgery or extraordinary veterinary treatments, and will not be obliged to incur the expense until such money is received.
- 4.6 **ADDITIONAL REMUNERATION AND GRATUITIES**
- The Owner must also pay to or bestow upon the Proprietor the additional remuneration and gratuities set out in the Fees Notice.
- 4.7 **INVOICING**
- The Proprietor and any Third-party Service Provider will invoice fees and charges, including any additional remuneration and gratuities:
- (a) to the Owner; or
  - (b) if the Horse is owned by multiple parties, as agreed with the Manager, either:
    - (i) to the Owners collectively via the Manager; or
    - (ii) to each party directly that party's proportion of such fees and charges.
- Regardless of the invoicing arrangements, liability for all such fees and charges remains as set out in clause 1.5.
- 4.8 **METHOD OF PAYMENT**
- The Proprietor's preferred method of payment is by EFT, or by Mastercard or Visa credit card. In the case of multiple Owners and proportionate direct invoicing, the Proprietor may charge an additional administration fee.
- 5. RULES OF RACING**
- 5.1 The Proprietor, the Owner and the Manager must:
- (a) comply with the Rules of Racing, including the TOR Rules; and
  - (b) be eligible to be an Owner under the Rules of Racing.
- 5.2 If there is any inconsistency between a provision of this Agreement and the Rules of Racing, including the TOR Rules, the latter will prevail to the extent of the inconsistency.
- 5.3 The Owner expressly and irrevocably authorizes the Proprietor to obtain from Racing Australia or the Principal Racing Authority [and those bodies to provide to the Proprietor] full details of the Owner, or if co-owners each co-owner and the Manager, as recorded with such body, including (without limitation) name, residential and email addresses, telephone and facsimile numbers.
- 5.4 If the Horse is leased, the authorization in clause 5.3 will extend to and include full details of the lessor (and legal owner).
- 6. TRAINING DISPUTES RESOLUTION PROCEDURES**
- The parties acknowledge that the Training Disputes Resolution Procedures apply to this Agreement. Those procedures are summarized as follows:
- (1) Any Tax Invoice rendered by the Proprietor prior to the 15<sup>th</sup> of the month is payable by the end of that month, or if rendered after the 15<sup>th</sup> of the month is payable by the end of the following month. If the Owner fails to pay and does not within that period dispute the amount of the Tax Invoice by giving a Dispute Notice to the Proprietor (and a copy to Racing Australia), the Presumption of a Training Debt will arise, and the Owner will be deemed a defaulter for non-payment of training fees. If a Dispute Notice is given, the Presumption of a Training Debt will not arise.
  - (2) Paragraph (1) notwithstanding, the Owner or the Manager may within 6 months after receiving a Tax Invoice rendered by the Proprietor dispute the amount of the Tax Invoice by giving a Dispute Notice.
  - (3) Following the giving of a Dispute Notice, either party may within 14 days elect to have the dispute determined by the Training Disputes Tribunal by giving to Racing Australia (and a copy to the other of them) a Notice of Election of Hearing and the applicable filing fee. A Dispute Notice will lapse if a Notice of Election of Hearing is not given.
  - (4) The Owner or the Manager may attend and be heard at the hearing of the dispute before the Training Disputes Tribunal.
  - (5) The parties must strictly comply with any determination by the Training Disputes Tribunal. If a party does not comply with such determination:
    - (a) the non-defaulting party may exercise such party's other contractual and legal remedies; and
    - (b) the relevant Principal Racing Authority may take whatever disciplinary action it considers appropriate; against the defaulting party.
- 7. INSURANCE**
- Unless otherwise agreed in writing by the Proprietor, the Owner is responsible for arranging the Owner's own insurance cover (including the renewal of any existing cover) for mortality and other insurable risks in relation to the Horse.
- 8. HORSE NAME, IMAGE AND RACING COLOURS**
- Subject to any restrictions or conditions imposed by Racing Australia or the Principal Racing Authority, the Owner grants to the Proprietor the right to use the Horse's name, image and racing colours in any promotion, publicity or media, free of consideration.
- 9. VISITATION**
- The Owner and the Manager may, by appointment with the Proprietor, attend at the Property to inspect the Horse. Visitation will be entirely at the Owner's or Manager's own risk, assumed voluntarily. The Proprietor will not be liable for any risk associated with such visitation, howsoever arising, that is either an Inherent Risk, including (without limitation) accident or injury, or any other risk that was insignificant or not reasonably foreseeable, involving or sustained by the Owner or the Manager, or any person who may accompany the Owner or the Manager, when visiting the Property.
- 10. PROPRIETOR'S RIGHT OF INDEMNITY**
- The Owner must indemnify the Proprietor against all expenses and liabilities properly incurred by the Proprietor in relation to this Agreement.
- 11. LIMITATIONS TO OWNER'S RIGHT OF INDEMNITY**
- 11.1 Neither the Proprietor nor any Third-party Service Provider will be liable to the Owner for damages for harm suffered by the loss or diminution in value of the Horse if it dies or value is diminished because of:
- (a) the materialization of a risk, howsoever arising, that is either:
    - (i) an Inherent Risk, including (without limitation) accident, illness, injury, infertility or sub-fertility, or natural cause; or

- (ii) any other risk that was insignificant or not reasonably foreseeable; or
- (b) its failure to compete in or win any races or Prize money.
- 11.2 (1) Except for any right of indemnity specifically preserved by this Agreement, the Owner expressly surrenders, so far as the law permits, any right which the Owner may have against the Proprietor or any Third-party Service Provider to claim damages for harm suffered by the loss or diminution in value of the Horse, howsoever arising, including (without limitation) liability in negligence and any right of the Owner to claim damages for economic loss or loss of opportunity to earn future income.
- (2) Any right of indemnity either specifically preserved or not capable of surrender will be limited in damages to the fair market value of the Horse at the time of the cause of action arising.
- 11.3 Certain legislation, including the *Competition and Consumer Act 2010 (Cth)*, may impose consumer guarantees or imply warranties or conditions or impose obligations upon the Proprietor which cannot be excluded restricted or modified, or cannot be excluded restricted or modified except to a limited extent. This Agreement must be read subject to these statutory provisions. If these statutory provisions apply, to the extent to which the Proprietor may limit the Proprietor's liability, such liability is limited to:
  - (a) in the case of goods, at the Proprietor's option:
    - (i) the replacement of the goods or the supply of equivalent goods;
    - (ii) the repair of the goods;
    - (iii) the payment of the cost of replacing the goods or of acquiring equivalent goods; or
    - (iv) the payment of the cost of having the goods repaired; and
  - (b) in the case of services, at the Proprietor's option:
    - (i) the supplying of the services again; or
    - (ii) the payment of the cost of having the services supplied again.

**12. LIEN AND CHARGE**

- 12.1 The Owner grants to the Proprietor a Lien over the Horse and a Charge over the Horse, Prize money and Proceeds, as security for the proper performance of the Owner's obligations under this Agreement, including (without limitation):
  - (a) to pay all fees and charges, including any additional remuneration and gratuities, as and when due; and
  - (b) not to transfer, sell or otherwise dispose of, or create any Encumbrance attaching to, the Horse, other than in accordance with this Agreement.
- 12.2 This Lien and Charge:
  - (a) entitles the Proprietor:
    - (i) to possession of the Horse (including the Horse ID card or any replacement card) until all amounts due and payable by the Owner under this Agreement are paid; and
    - (ii) to retake possession of the Horse (including the Horse ID card or any replacement card) where the Proprietor is not in possession at the time when the Owner's breach of this Agreement occurs; and
  - (b) includes the right of the Proprietor:
    - (i) to give a direction in accordance with clause 17.2 for the payment of Prize money and Proceeds; and
    - (ii) to sell the Horse or appoint a receiver to do so in accordance with clause 17.3;
 when the Owner's breach of this Agreement occurs.
- 12.3 The rights conferred by this clause 12 are in addition to and not in substitution of any rights of the Proprietor at common law or under any statute.

**13. OWNER'S SALE OR ENCUMBRANCE OF HORSE**

If the Owner elects to transfer, sell or otherwise dispose of, or to create any Encumbrance attaching to, the Horse, while any fees and charges are outstanding and payable to the Proprietor or any Third-party Service Provider under this Agreement, the Owner must prior to doing so either:

- (a) pay all such outstanding fees and charges to the Proprietor or Third-party Service Provider; or
- (b) obtain the Proprietor's approval either to the proposed sale or other disposition, or to the creating of the Encumbrance. The Proprietor may give approval (with or without conditions) or withhold approval without providing a reason. If the Proprietor does approve, the Owner must comply with any conditions of such approval, and otherwise obligate the proposed purchaser, acquirer, or grantee of any Encumbrance to novate this Agreement. In any event, the Owner will remain liable to the Proprietor or Third-party Service Provider for any fees and charges not paid to the Proprietor or Third-party Service Provider by such purchaser, acquirer, or grantee.

**14. ACKNOWLEDGEMENTS UNDERTAKINGS AND WARRANTIES**

- 14.1 The Proprietor acknowledges that, EXCEPT for what is set out in this Agreement, the Owner has neither made any representation nor provided any warranty to the Proprietor in relation to the Horse.
- 14.2 The Owner acknowledges entering into this Agreement at the Owner's own risk and that, EXCEPT for what is set out in this Agreement, the Proprietor has neither made any representation, nor provided any warranty:
  - (a) in relation to the services to be provided or procured by the Proprietor; or
  - (b) that the Horse:
    - (i) will win any races or Prize money;
    - (ii) will have any residual value as a stallion or broodmare; or
    - (iii) if an Entire, will not require gelding because of physical or behavioral considerations in an effort to enhance racing performance.
- 14.3 The Owner undertakes:
  - (a) not to appoint or grant possession of the Horse to a new trainer while any fees and charges are outstanding and payable to the Proprietor or any Third-party Service Provider under this Agreement, unless the Owner has lodged a Dispute Notice and deposited the full amount of the outstanding fees and charges into the Training Disputes Trust Account; and
  - (b) not to assign or transfer the Owner's rights or obligations under this Agreement to any third party without first obtaining the Proprietor's approval, which will not be unreasonably withheld or delayed. It will not be unreasonable for the Proprietor:
    - (i) to withhold approval if the Owner is in breach of any payment obligation under this Agreement; and
    - (ii) to require any party assuming the Owner's obligations to novate this Agreement.
- 14.4 The Owner warrants that the Owner:
  - (a) is either:
    - (i) the holder of the legal and beneficial title to the Horse, free of any Encumbrance, or if subject to an Encumbrance, duly authorized by the grantee to enter into this Agreement; or
    - (ii) the lessee duly authorized by the lessor (and legal owner) to enter into this Agreement; and
  - (b) is not aware of any behavioral, physical or health problem with the Horse which, if known to the Proprietor, would cause the Proprietor to refuse to take delivery of the Horse at the Property.

**15. FURTHER ACKNOWLEDGMENTS AND DECLARATIONS**

- 15.1 The Owner acknowledges that:
  - (a) owning and racing thoroughbred racehorses:
    - (i) is speculative, as the Owner will incur significant fees and expense without the assurance of any financial return; and
    - (ii) involves risks, including (without limitation) those specifically referred to in clauses 9 and 11.1;
  - (b) prior to entering into this Agreement, the Proprietor provided to the Owner and the Owner has read and understood:
    - (i) the Fees Notice; and
    - (ii) the attachment marked "WARNING - IMPORTANT INFORMATION"; and
  - (c) any assessment or expression of opinion by the Proprietor as to how the Horse may perform in any specific race, or generally, will not constitute a representation or warranty as to performance.
- 15.2 The Owner declares that prior to the Effective Date the Owner has had the opportunity:
  - (a) to obtain:
    - (i) independent legal advice in relation to the Owner's rights and obligations under this Agreement; and
    - (ii) a copy of the Rules of Racing, including the TOR Rules; and
  - (b) to inspect the Property and the facilities to satisfy oneself as to their fitness for purpose; and has either done so, or freely declined the opportunity to do so.

**16. GST**

- 16.1 The parties acknowledge that this Agreement will constitute a Taxable Supply under the GST Act.
- 16.2 Any fee or charge specified in the Fees Notice as payable by the Owner under this Agreement has GST included in it, unless it is specifically stated as being exclusive of GST.
- 16.3 Any invoice rendered by a party to this Agreement in connection with a Taxable Supply made pursuant to this Agreement which seeks to recover an amount of GST payable

by that party must conform to the requirements for a Tax Invoice and must be delivered on or before the date payment is required.

## 17. OWNER'S DEFAULT

17.1 If the Owner breaches a material obligation under this Agreement, including any payment obligation, the Proprietor may:

- (a) charge interest on any outstanding amount at the rate prescribed for pre-judgement interest by the Supreme Court for the period commencing on the day after the due date and ending on the date payment is received;
- (b) stop or suspend training the Horse (including entering it for any race or trial) until the breach is remedied; and
- (c) give a Default Notice to the Owner, the Manager or lessor (as the case requires), requiring that such breach be remedied within 14 days. If the Owner fails to remedy the breach within the period specified in the Default Notice, the Proprietor may pursue all or any of the Proprietor's contractual and legal remedies against the Owner, including (without limitation) the right:
  - (i) to give a direction in accordance with clause 17.2 for the payment of Prize money and Proceeds; and
  - (ii) to sell the Horse or appoint a receiver to do so in accordance with clause 17.3;without requiring a direction by order of the court for such action.

## 17.2 RIGHT TO GIVE A DIRECTION FOR THE PAYMENT OF PRIZE MONEY AND PROCEEDS

- (1) The Proprietor may exercise the Proprietor's right to give a direction for the payment of Prize money and Proceeds:
  - (a) if the Horse is racing, by notice to the Principal Racing Authority;
  - (b) if the Horse is sold, by notice to the selling agent or buyer (as the case requires); or
  - (c) if there is a claim under any insurance policy attaching to the Horse, by notice to the insurer;requiring payment directly to the Proprietor of such amount as is required to fully extinguish and discharge any outstanding payment obligation of the Owner under this Agreement as a first call on the total of any net Prize money and Proceeds. A statement confirming the outstanding amount and a copy of this Agreement will constitute adequate notice.
- (2) The Owner, in consideration of these presents and for good and valuable consideration, expressly and irrevocably directs the recipient of a notice served pursuant to paragraph (1) to make payment in accordance with that notice without reference to the Owner or the Manager and without requiring a direction by order of the court for payment and attachment of debt.

## 17.3 POWER OF SALE OF HORSE

- (1) For the purpose only of the Proprietor exercising the Proprietor's right to sell the Horse when the Owner's breach of this Agreement occurs, the Owner, in consideration of these presents and for good and valuable consideration:
  - (a) irrevocably appoints and directs the Proprietor, as the Owner's duly authorised agent, attorney or representative, as the law permits, to execute any instrument and do any act or thing required to effect the sale and convey and assure the buyer the Horse sold, including (without limitation) registration of the Transfer of Ownership of the Horse with the Registrar of Racehorses or Principal Racing Authority; and
  - (b) expressly and irrevocably directs the Registrar of Racehorses or Principal Racing Authority, as the case requires, to register such Transfer of Ownership without reference to the Owner or the Manager and without requiring a direction by order of the court for registration.
- (2) If the Proprietor elects to exercise the Proprietor's power of sale in relation to a defaulting co-owner's interest in the Horse and is required by the Corporations Act to provide a prospective purchaser with a Product Disclosure Statement, the Proprietor may request a Product Disclosure Statement from the Manager, which the Manager must provide within 7 days of receiving such request.
- (3) If a sale by public auction, the Proprietor may offer the Horse without reserve and sell it to the highest bidder.
- (4) If the Proprietor elects to sell the Horse other than by public auction, such sale must be in good faith and at a price not less than the fair market value of the Horse determined by either MM or WI, or if neither of them is able or willing to act, then another member of the FBAA who is able and willing to act, at the Proprietor's discretion.
- (5) The Proprietor must give the Owner, the Manager or lessor (as the case requires), 14 days' notice of any

proposal to sell the Horse by public auction, and 7 days' notice of any proposal to sell the Horse other than by public auction.

(6) Upon the sale of the Horse the Proprietor must apply the Proceeds:

- (a) firstly, in payment of all fees and charges incurred in connection with the sale, including (without limitation) the sale entry fee and commission, transportation and sale attendance;
- (b) secondly:
  - (i) if a sole Owner, in payment to the Proprietor, or Third-party Service Provider, of all fees and charges, including (without limitation) any interest and enforcement costs that are outstanding and payable by the Owner; or
  - (ii) if co-owners, apportion the net Proceeds between them and apply the proportion otherwise due to the defaulting co-owner(s) in payment to the Proprietor, or Third-party Service Provider, of all fees and charges, including (without limitation) any interest and enforcement costs that are outstanding and payable by the defaulting co-owner(s); and
- (c) thirdly, in payment:
  - (i) to a sole Owner of any Proceeds not required to be applied by the Proprietor either in remedying or because of the Owner's breach of this Agreement; or
  - (ii) to the Manager or non-defaulting co-owner(s) directly the whole of the proportion of the net Proceeds due to the non-defaulting co-owner(s), AND to the Manager or defaulting co-owner(s) directly the proportion of the net Proceeds due to the defaulting co-owner(s) not required to be applied by the Proprietor either in remedying or because of the defaulting co-owner(s) breach of this Agreement.

The Owner will remain liable to the Proprietor for any shortfall, or if co-owners, each defaulting co-owner will remain liable to the Proprietor for such party's proportion of any shortfall.

## 17.4 RIGHT TO INDEMNITY COSTS

If the Proprietor, Third-party Service Provider, or their nominee, undertakes any account management or debt recovery action with any agency, or legal proceedings, against the Owner in relation to the Owner's breach of a material obligation, including (without limitation) any payment obligation, such party will be entitled to recover all fees and expenses, including account management fees, agency commissions, legal fees and other expenses reasonably incurred in relation to such action or proceedings on a full indemnity basis.

## 17.5 OTHER RIGHTS

The rights conferred by clauses 17.1 to 17.4 inclusive will not prejudice any other right which the Proprietor may have against the Owner relating to the Owner's breach of this Agreement.

## 18. TERMINATION

This Agreement will have full force and effect until it is ended by the first to occur of the following:

- (a) the Horse ceases racing, is sold or otherwise disposed of by the Owner, or the Proprietor exercises the Proprietor's power of sale under clause 17.3;
- (b) the Proprietor elects to end this Agreement and directs the Owner or the Manager to remove the Horse from the Property; or
- (c) the Owner or the Manager elects to end this Agreement and to remove the Horse from the Property.

In any event, the Proprietor will be entitled to render a Tax Invoice to the Owner for all services provided in relation to the Horse under this Agreement up until the day the Horse is removed from the Property AND to be paid the full amount of that Tax Invoice and any other outstanding Tax Invoices before the Horse is removed.

## 19. PPSA

19.1 The provisions of this Agreement constitute a Security Agreement under the PPSA. These provisions are in addition to and not in substitution of any rights of the Proprietor at common law or under any statute.

19.2 The Owner:

- (a) grants to the Proprietor a Security Interest attaching to the Horse as livestock (as that term is defined in the PPSA) and Proceeds to secure the proper performance of the Owner's obligations under this Agreement;

- (b) consents to the Proprietor, as the Secured Party, registering the Security Interest on the PPSR;
  - (c) acknowledges that the Security Interest is granted for value and to enable the Horse to be fed or developed and, as a result, is a priority interest in livestock pursuant to Section 86 of the PPSA;
  - (d) undertakes:
    - (i) to execute any document required to enable the Proprietor to register a Financing Statement or Financing Change Statement from time-to-time on the PPSR to perfect the Security Interest;
    - (ii) to pay or reimburse all fees and expenses incurred by or on behalf of the Proprietor in relation to the enforcement or discharge of the Security Interest; and
    - (iii) not to grant any Encumbrance attaching to the Horse to any other person without first obtaining the Proprietor's written consent;
  - (e) declares that, to the extent permitted under the PPSA, sections 142 and 143 of the PPSA will not apply to this contract or the Security Interest; and
  - (f) waives any right as permissible under the PPSA to receive a notice.
- 19.3 The Proprietor must discharge the Security Interest when all the secured obligations of the Owner under this Agreement are satisfied.
- 19.4 If there is an existing Encumbrance attaching to the Horse at the time of the parties entering into this Agreement, the Owner assures the Proprietor that the grantee of such Encumbrance approves of the Owner entering into this Agreement and consents to the Security Interest granted to the Proprietor having priority over such Encumbrance, regardless of whether such Encumbrance is a perfected or unperfected Security Interest.

## 20. NOTICES

- 20.1 Any notice, demand, or other instrument given under this Agreement will be deemed to have been properly given if it is in writing and delivered to or sent by prepaid mail to an address within Australia, or by prepaid airmail post to an address outside Australia, or by facsimile or email transmission, in the case of:
- (a) the Proprietor, to the address or number provided by the Proprietor; and
  - (b) the Owner or the Manager, to the address or number provided by the Owner or the Manager, or such other address or number that may be recorded with the Register of Racehorses or that the Proprietor reasonably considers to be the current address or number of the Owner or the Manager.
- 20.2 Notice given in accordance with clause 20.1 will be deemed to have been duly served, in the case of:
- (a) prepaid mail to an address within Australia, upon the expiration of 3 days after the day of posting;
  - (b) prepaid airmail post to an address outside Australia, at the expiration of 10 days after the day of posting; and
  - (c) facsimile or email transmission, on the day after the date of transmission.

## 21. FURTHER ASSURANCES

The parties must at their own cost, execute any instrument and do any act or thing required to give effect to this Agreement.

## 22. GOVERNING LAW

The law governing this Agreement is the law of the Commonwealth of Australia and of the state or territory where the Property is located and the forum for all disputes will be either the Federal Court of Australia or the Courts of that place, to the authority of and which, including any appellate jurisdictions of such courts, the parties unconditionally submit and confine themselves for all proceedings arising from this Agreement.

## 23. DEFINITIONS AND INTERPRETATIONS

- 23.1 The following words have these meanings in this Agreement unless the contrary intention appears:
- Associated Entity** has the meaning given to it in the *Corporations Act 2001 (Cth)*.
- Charge** means the right to seize and sell, including a power of sale and the right to receive and apply Prize money and Proceeds.
- Default Notice** means a notice detailing the breach by the defaulting party of an obligation under this Agreement.
- Dispute Notice** is a prescribed form under the TOR Rules.
- Effective Date** means the date upon which this Agreement is adopted or accepted by the parties, evidenced by:
- (a) the Owner or the Owner's agent delivering the Horse to the Proprietor; and

- (b) the Proprietor accepting delivery of the Horse from the Owner or the Owner's agent;
- at the Property.

**Encumbrance** means:

- (a) any Security Interest;
- (b) any right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors, including any right of set-off;
- (c) any third party right or interest in property, or any right arising from the enforcement of a judgement;

or any agreement to create any of them or allow them to exist.

**End Date** means the date upon which this Agreement is ended, determined in accordance with clause 18.

**Entire** means a male horse that has not been gelded.

**FBAA** means *Federation of Bloodstock Agents Australia Ltd (ABN 27 003 596 718)*.

**Fees Notice** means any document, as amended from time to time, that provides a reasonable estimate of the fees and expenses the Owner will be likely to incur if the Owner gives the Horse to the Proprietor to train, and which complies with the requirements for a Fees Notice under TOR Rule 3.

**Financing Statement** has the meaning given to it in the PPSA. **Financing Change Statement** has the meaning given to it in the PPSA.

**GST** means tax that is payable under the GST law (as prescribed by the GST Act).

**GST Act** means the "A New Tax System (*Goods and Services Tax*) Act 1999".

**Horse** means any thoroughbred horse delivered by the Owner and accepted by the Proprietor onto the Property.

**Inherent Risk** means a risk of something occurring that cannot be avoided by the exercise of reasonable care.

**Lien** means the right to retain.

**MM** means *Magic Millions Sales Pty Ltd (ABN 54 078 396 317)*.

**Notice of Election of Hearing** is a prescribed form under the TOR Rules.

**Owner** means either:

- (a) the holder of the legal and beneficial title to the Horse; and if multiple parties, each person who holds an ownership interest in the Horse; or
- (b) the lessee of the Horse.

**PPSA** means *Personal Property Securities Act 2009 (Cth)*.

**PPSR** means the *Personal Property Securities Register* under the PPSA.

**Presumption of a Training Debt** has the same meaning as in the TOR Rules.

**Principal Racing Authority** means the body responsible for the regulation of thoroughbred horse racing in the place in which the Horse is racing or may race.

**Prize money** means money earned from racing the Horse, including breeder's bonus and incentive scheme payments and other bonuses.

**Proceeds** means proceeds of sale or of any insurance claim paid in relation to the Horse or a Share, as the context requires.

**Product Disclosure Statement (PDS)** means a disclosure document required by the *Corporations Act 2001 (Cth)* to be given to prospective investors when offering a financial product to retail clients.

**Property** means any property or place where the Proprietor provides the services.

**Proprietor** means *Gai Waterhouse Racing (ABN 60 614 041 584) (Adrian Bott Racing Pty Ltd t/as)*, including its directors, officers, employees, servants and agents.

**Racing Australia** means *Racing Australia Limited (ABN 89 105 994 330)*.

**Rules of Racing** means the Australian Rules of Racing, including the TOR Rules, applying in the place where the Horse is racing or may race. These rules are published by Racing Australia ("AR#") and supplemented by local rules ("LR#") determined by each Principal Racing Authority, as amended. A copy of the Australian Rules of Racing, including the TOR Rules, is available at website [www.racingaustralia.horse].

**Secured Party** means a person who is granted a Security Interest under this Agreement.

**Security Interest:**

- (a) in relation to any personal property (as defined in the PPSA), has the meaning given to it in the PPSA; and
- (b) in relation to any other property, means any charge, mortgage, pledge, bill of sale, hypothecation, lien, arrangement concerning the deposit of documents evidencing title, trust, power or title retention arrangement, or any other covenant or arrangement of any nature made to secure the payment of money or the observance of an obligation.

**Taxable Supply** has the meaning given to it in the GST law.

**Tax Invoice** has the meaning given to it in the GST law.



**Term** means the period from the Effective Date until the End Date of this Agreement determined in accordance with clause 18.

**Third-party Service Provider** means any external service provider contracted by the Proprietor (as the agent of the Owner) to provide services in relation to the Horse while in the care and under the control of the Proprietor.

**TOR Rules** means the Trainer and Owner Reform Rules set out in Schedule 2 of the Australian Rules of Racing.

**Training Disputes Tribunal** has the same meaning as in the TOR Rules.

**Training Disputes Trust Account** has the meaning given to it in the TOR Rules.

**Training Fees Dispute Resolution Procedures** means the procedures in the TOR Rules (TOR Rules 4 to 9 inclusive) for the resolution of a dispute between a trainer and an owner over the payment of training fees.

**Transfer of Ownership** is a prescribed form of the Registrar of Racehorses or Principal Racing Authority.

**WI** means *William Inglis & Son Ltd (ABN 75 000 011 307)*.

- 23.2 In this Agreement unless the contrary intention appears:
- (i) the singular includes the plural and the plural and vice versa;
  - (ii) a reference to any one gender includes a reference to each other gender;
  - (iii) a reference to a person includes a reference to a firm, corporation or other corporate body;
  - (iv) a reference to writing includes a reference to printing, typing and other methods of producing words in a visible form;
  - (v) where a word or expression is given a specific meaning, other parts of speech and grammatical forms of that word or expression have corresponding meanings;
  - (vi) headings are for ease of reference and do not affect the construction of this Agreement;
  - (vii) this Agreement binds in addition to the parties, their respective legal personal representatives and successors; and
  - (viii) any Schedule or annexure will form part of this Agreement.

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**WARNING – IMPORTANT INFORMATION**

The ownership, training and racing of thoroughbred horses involve risks, including Inherent Risks and other risks that may be insignificant or not reasonably foreseeable. Be aware that:

- The value of the Horse may be diminished or lost through:
  - market forces;
  - the failure of the Horse to compete in or win any races or Prize money;
  - the death of the Horse; or
  - the materialisation of an Inherent Risk, including (without limitation) accident, illness, injury, infertility or subfertility, or natural cause.
- The Horse may not have any residual value as a stallion or broodmare.
- The Proprietor's Property, racecourses and other places where the Horse, and other horses, may be located from time to time can be dangerous places, including because horses do not always behave as expected. Entering onto those places involves the risk of injury, accident and loss or damage to person or property for all people who enter.

**PAYMENT OBLIGATIONS**

The Owner, including the members of any co-ownership arrangement, should be aware that:

- (a) the failure of the Owner, or any co-owner, to comply with such Owner's or co-owner's payment obligations to the Proprietor or any Third-party Service Provider may result in the Proprietor stopping or suspending training of the Horse (including entering it for any race or trial), even though the other co-owners are complying with their payment obligations; and
- (b) either the Horse, or a co-owner's interest in the Horse, may be lawfully sold by the Proprietor if the Owner, or any co-owner, does not pay such Owner's or co-owner's proportion of fees and expenses when due.



This Agreement is endorsed by the NSW Trainers Association Ltd



**GAI WATERHOUSE RACING (ABN 60 614 041 584)**

**FEES NOTICE [from 1/8/2022]**

This Fees Notice is intended to provide an Owner with an estimate only of fees and expenses. It is not a fixed price quotation.

Fees and charges are invoiced monthly in arrears. It is not possible to indicate in advance the exact total monthly cost. While some fees and charges are at a daily rate (e.g. training fee etc.), others are per treatment (e.g. chiropractic, dentistry, farriery, veterinary etc.), and transportation per trip. Also, horses vary in the rate at which they mature and progress while on agistment and throughout each preparation.

1. PROPRIETOR'S BASIC FEES AND CHARGES		Daily Fee (excluding GST)	GST	Daily Fee (including GST)
Training fee	Randwick & Flemington	\$147.00	\$14.70	\$161.70
Race day staffing fees	➤ Official Trials	\$120.00 to \$180.00	\$12.00 to \$18.00	\$132.00 to \$198.00
	➤ Metropolitan Race Meetings	\$150.00 to \$165.00	\$15.00 to \$16.50	\$165.00 to \$181.50
	➤ Provincial Meetings	\$180.00 to \$200.00	\$18.00 to \$20.00	\$198.00 to \$220.00
	➤ Country Race Meetings	\$220.00 to \$250.00	\$22.00 to \$25.00	\$242.00 to \$275.00

2. OTHER FEES AND CHARGES (Estimate only) – actual fees and charges will be invoiced on a per treatment/track gallop/trip basis and may vary depending upon the service provider and the nature of the treatment/length of the trip		Fee (excluding GST)	GST	Fee (including GST)
Chiropractic	Consultation	\$90.00 to \$100.00	\$9.00 to \$10.00	\$99.00 to \$110.00
Dentistry	Teeth Dressed	\$70.00 to \$90.00	\$7.00 to \$9.00	\$77.00 to \$99.00
Farriery	4 new shoes	\$220.00 to \$250.00	\$22.00 to \$25.00	\$220 to \$275.00
Track fees	➤ Randwick – daily fee	\$7.50	\$0.75	\$8.25
	➤ Flemington	\$5.00	\$0.50	\$5.50
Transportation	Main provider is Sydney Horse Transport - variable dependant on location <sup>(3)</sup>	\$50.00 to \$1,000.00	\$5.00 to \$100.00	\$55.00 to \$1,100.00
Veterinary (routine treatments)	Main provider is Randwick Equine Centre	\$227.27 to \$272.73	\$22.73 to \$27.27	\$250.00 to \$300.00

**Notes:**

- (1) An estimate of race trial entry fees is not included and will be additional. All race and trial entry fees (including nomination, acceptance and scratching fees) are set by the Principal Racing Authority or Race Club and are passed on the Owner at cost.
- (2) An estimate of Interstate or overseas travel is not included and will be additional. Should the Horse race interstate or overseas, charges reflecting a proportion of the additional associated expenses, plus GST, will apply.
- (3) Depending upon location.

OTHER FEES AND CHARGES (Estimate only) – actual fees and charges may vary depending upon the service provider		Daily Fee (excluding GST)	GST	Daily Fee (including GST)
Agistment & pre-training	Agistment	\$40.00 to \$45.00	\$4.00 to \$4.50	\$44.00 to \$49.50
	Pre-training	\$90.00 to \$95.00	\$9.00 to \$9.50	\$99.00 to 104.50

Breaking-in	One off fee	\$5,000 to \$5,500	\$500 to \$550	\$5,500 to \$6,050
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3. PROPRIETOR'S ADDITIONAL REMUNERATION AND GRATUITIES
<ol style="list-style-type: none"> <li>1. An additional fee an amount equal to:               <ol style="list-style-type: none"> <li>(a) 5% (plus GST) of Prize money earned by the Horse for win in a race; or</li> <li>(b) 5% (plus GST) of Prize money \$50,000 and over earned by the Horse for a place in a race;</li> </ol> </li> <li>2. If the Horse, being other than an entire to which paragraph 3 applies, is sold while being trained by the Proprietor or within 3 months after ceasing to be trained by the Proprietor, an additional fee being an amount equal to 10% (plus GST) of the sale price (excluding GST).</li> <li>3. If the Horse, being an Entire, is sold or retired to stud:               <ol style="list-style-type: none"> <li>(a) an additional fee being an amount equal to 5% (plus GST) of the sale price (excluding GST), or value (excluding GST) [as agreed or determined by either *MM or **WI, at the Proprietor's discretion], of the Horse; and</li> <li>(b) one (1) transferable lifetime service right which will entitle the holder of such right to nominate a mare to be provided with a stud service by the horse during each stud season that the Horse is used to provide stud services commercially, free of any service fee.</li> </ol> </li> </ol> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>(1) The entitlements of the Proprietor to the additional remuneration and gratuities set out in paragraph 3:               <ol style="list-style-type: none"> <li>(a) will be conditional upon the Horse winning a Group 1 or Group 2 race while being trained by the Proprietor, or within 3 months after ceasing to be trained by the Proprietor; but</li> <li>(b) will not be conditional upon the Proprietor being the trainer of the Horse at the time of it being sold or retired to stud.</li> </ol> </li> <li>(2) The entitlements of the Proprietor to the additional remuneration set out in paragraphs 2 and 3 will also apply to the sale of an interest or share in the Horse.</li> <li>(3) *MM – Magic Millions; **WI – William Inglis</li> </ol>



**GAI WATERHOUSE RACING (ABN 60 614 041 584)**

**FEES NOTICE (CONTINUED) [from 1/8/2022]**

**4. INTEREST** – the Proprietor may charge interest on overdue accounts

**5. MANDATORY ALLOCATION OF PRIZE MONEY UNDER THE RULES OF RACING**

AR90 and Local Rules (LR): VIC – LR32; NSW – LR72(2); SA – LR8.7; QLD – LR71A; NT – LR75 & LR88; WA – LR80G & LR90; TAS – LR17 & LR23	VIC		NSW & ACT	SA						QLD & NT	WA	TAS
	Flat Races	Jumps Races		Flat races			Jumps races					
				Win	Placing		Win	Placing				
					(1)	(2)		(1)	(2)			
Recipient												
➤ Proprietor (trainer)	9.7%	10%	10%	10%	10%	-	10%	10%	-	10%	10%	10%
➤ Jockey	4.85%	10%	5%	5%	5%	5%	10%	10%	10%	5%	5%	5%
➤ Stable hand Prize money Scheme	-	-	1.5%	-	-	-	-	-	-	-	-	-
➤ Jockey Insurance & Welfare Scheme	1%	1%	-	-	-	-	-	-	-	-	-	-
➤ Animal Welfare Fund	2%	1%	-	-	-	-	-	-	-	1%	-	-
➤ Owner	82.45%	78%	83.50%	85%	85%	95%	80%	80%	90%	84%	85%	85%

Notes:

(1) NSW – \$250 or over metropolitan, provincial and country.

(2) SA – Placing (1) Prize for the placing is \$300 or more; and (2) Prize for the placing is less than \$300 and greater than \$100.

Other states and territories may vary.