

Darley Lifetime Stallion Breeding Right Agreement

Agreement Reference:	[<i>Nom ID</i>]
Holder: Holder includes permitted assigns or transferees.	[<i>Company Name</i>] [<i>insert company type</i>] (No. [<i>number</i>]) incorporated in [<i>Country</i>] whose registered office / main trading address is [<i>Address</i>] / OR [<i>name(s) and address(es) of individuals</i>]. If the Holder is more than one person their obligations under this Agreement are joint and several.
Stallion:	[<i>To be inserted</i>]
LBR Payment:	£[<i>To be inserted</i>] (plus VAT where applicable)
Darley:	The owner of the Stallion being Godolphin Management Co. Limited, a company registered in England & Wales with company number 02873075 whose registered office is at The Main Office, Dalham Hall Stud, Duchess Drive, Newmarket, Suffolk, England, CB8 9HE.
Season:	Each Northern Hemisphere Breeding Season (usually February to July in a year), commencing in [<i>year</i>].

For the duration of this Agreement, and subject to compliance with the terms of this Agreement and to payment of the (one-off) LBR Payment, this Agreement entitles the Holder to present one approved mare for covering by the Stallion during each Season.

This Agreement incorporates the Darley LBR Standard Terms and Conditions set out overleaf and the TBA Standard Terms and must be read together with those terms. At no time does the Holder acquire any share or other right or interest in the Stallion or the income derived from the Stallion. If the Holder fails to notify Darley of exercise of the Breeding Right in the manner and time period set out overleaf the Holder will not be able to exercise the Breeding Right in that Season and is not entitled to any compensation in lieu.

The Holder acknowledges that any nomination to which it is entitled under this Agreement will not be publicly advertised at less than the nomination fee as shown on the Darley website at time of advertisement, public auction, or sale.

Signed by
for and on behalf of Godolphin Management Co. Limited

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Print Name:

.....

Date:

.....

Signed for and on behalf of [Holder]

.....

Print Name:

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Date:

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DARLEY LBR STANDARD TERMS AND CONDITIONS

1. DEFINITIONS USED IN THESE CONDITIONS

Breeding Right: means the right set out in condition 3.

Mare: means a thoroughbred mare nominated by the Holder using the Yearly Nomination Form and approved by Darley (as defined in clause 3 of the TBA Standard Terms) and includes where relevant a substitute mare.

LBR Transfer Form: means Darley's standard form for an application to transfer the Breeding Right under condition 5, a copy of which is available upon request.

TBA Standard Terms: means the Thoroughbred Breeders Association Standard Terms as they may be updated or re-issued from time to time, which shall apply and have effect as if set out in full in this Agreement save to the extent that they are inconsistent with the terms of this Agreement.

Yearly Nomination Form: means Darley's standard form for the exercise of Nomination Rights, a copy of which is available upon request.

2. COMMENCEMENT AND TERM

2.1 This Agreement shall commence on the date on which it has been signed by both parties and Darley has received payment in full of the LBR Payment in cleared funds and continues, subject to earlier termination, until the date on which the Stallion ceases to stand for whatever reason (including without limitation death, injury, incapacitation, or sale) at a stud owned or managed by Darley.

2.2 For completeness, Darley reserves the right to send the Stallion at its discretion to the Southern Hemisphere to utilise the Southern Hemisphere breeding season without any requirement to consult with the Holder. If the Stallion remains in the Southern Hemisphere during any part of or all of a Season as a result of this, the Holder acknowledges that it shall not be entitled to any refund or compensation.

2.3 Darley may terminate this Agreement by written notice to the Holder if the Holder commits a material breach of this Agreement or is in breach and fails to remedy such breach (to the extent capable of remedy) within 14 days of written notice from Darley, is unable to pay its debts as they fall due, is subject to insolvency proceedings in any jurisdiction or fails to pay any amount due to Darley (whether under this Agreement or otherwise) within 14 days of a demand from Darley.

2.4 Termination of this Agreement shall not affect any of the parties' rights and remedies that have accrued as at termination.

2.5 If the Holder is a "consumer" for the purposes of the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 ("CCR Regulations") the Holder may be entitled to cancel this Agreement for a period of 14 days following the date of this Agreement by giving notice in writing to Darley. In the event that the CCR Regulations apply to this Agreement no Breeding Right may be used until after expiry of the cancellation period under the CCR Regulations.

3. BREEDING RIGHT

3.1 During the term of this Agreement, the Holder shall be entitled to present a Mare for covering by the Stallion ("**Breeding Right**") during each Season by signing and returning to Darley a completed Yearly Nomination Form by no later than 31st December in the year prior to the commencement of the relevant Season (failing which the Breeding Right may not be exercised for that Season).

3.2 The Holder acknowledges that the Stallion shall continue to be available for stud on Darley's normal roster during the term of this Agreement.

3.3 If before being served the Mare dies or becomes unfit for service or is refused service under this condition 3, the Holder shall be entitled to substitute another thoroughbred mare approved by Darley (and subject to the Holder providing to Darley all relevant documentation required by Darley at its discretion) for the remainder of the Season on the terms of this Agreement.

3.4 Darley reserves the right in the event of an outbreak of any disease which poses a threat to other mares and/or foals on the stud to impose restriction on the movement of mares to and from the stud and to implement such measures on the effective control of disease as it thinks appropriate.

3.5 Where applicable, keep and expenses shall become due and payable by the Holder within 28 days of Darley sending the Holder an invoice. The Holder undertakes to pay such invoice to Darley regardless of whether the Mare has been served or is certified pregnant. For the purposes of this condition 3.5, "keep and expenses" means reasonable daily charges (plus VAT where applicable) for keep of the Mare (and foal at foot, if applicable), plus any other incidental expenses reasonably incurred by Darley with third parties in connection with the Mare (and foal). If the Breeding Right is exercised in respect of a Mare owned by someone other than the Holder, the Holder agrees and acknowledges that they remain liable for payment of keep and expenses and shall pay these to Darley on demand in accordance with this clause.

3.6 Interest at the rate of 1.5% per month (or part thereof) shall apply on all unpaid amounts under this Agreement from the due date(s) until payment is made.

3.7 The certificate of covering of the Mare may be withheld by Darley or the manager of the stud or their respective servants or agents until payment is made of all monies due to Darley in respect of the Mare and/or foal or other monies due from the Holder to Darley and the Holder undertakes with Darley not to register or attempt to register the ownership of the foal of the Mare until full payment is made of all such monies.

3.8 For the purposes solely of these conditions 3.8 and 3.9, the expression "Darley" shall be taken to include any company whose ultimate ownership and/or control is the same as that of Darley. Darley shall have a general and

particular lien over the Mare, any other mare owned by the Holder or any foal (in utero or born alive) born as a result of a Breeding Right or any other nomination agreement between the Holder and Darley.

3.9 The lien in condition 3.8 shall be for all claims and monies owing by the Holder to Darley under such agreement(s) until all sums owed have been received by Darley. After giving 21 days' written notice to the Holder Darley shall be entitled to sell or dispose of the Mare, any other such mare or any such foal at the expense of the Holder and apply the proceeds towards the payment of such sums. Such sale or disposal shall be at the expense of the Holder. Darley shall be entitled to apply the proceeds in or towards the payment of such sums and upon accounting to the Holder for any balance remaining after payment of such sums and costs of sale or disposal Darley shall be discharged of any liability whatsoever in respect of the Mare, any other such mare and any such foal.

4. SALE OF STALLION

4.1 Darley shall be entitled to sell or dispose of the Stallion at any time and the Holder shall not be entitled to any refund or compensation otherwise than in accordance with condition 4.2.

4.2 If Darley sells the Stallion, it shall pay to the Holder a sum equal to 0.5% of the net proceeds of the sale (following deduction of any tax and costs of sale) by way of compensation for the loss of future Breeding Rights. This entitlement shall not give the Holder any share or other right or interest in the Stallion.

5. TRANSFER OF BREEDING RIGHT

5.1 The Breeding Right may only be transferred as set out in this condition 5.

5.2 If the Breeder wishes to transfer or assign the Breeding Right, it must offer this for transfer via Darley by submitting to Darley a completed LBR Transfer Form setting out the proposed transfer price ("**Proposed Transfer Price**") signed by the Holder and the proposed buyer.

5.3 Following receipt of an LBR Transfer Form, Darley shall have the right at its option (but shall not be obliged) to either acquire the Breeding Right itself or nominate a purchaser of the Breeding Right (in each case at the Proposed Transfer Price) or may decline to consent to the proposed transfer (such consent not to be unreasonably withheld).

5.4 If Darley nominates a purchaser of the Breeding Right pursuant to condition 5.3, Darley may receive the purchase price from the purchaser as trustee for the Holder and hold this on trust pending settlement to the Holder.

5.5 If Darley declines the transfer of the Breeding Right under condition 5.3, it shall notify the Holder and the Holder shall not be entitled to transfer or assign the Breeding Right to the proposed buyer.

6. LIMITATION OF LIABILITY

6.1 Nothing in this Agreement shall limit or exclude Darley's liability for death or personal injury caused by its negligence or that of its personnel, agents or sub-contractors; fraud or fraudulent misrepresentation; or any other liability (including any statutory right) which cannot be limited or excluded by law.

6.2 Darley shall have no liability to the Holder for any disease, accident or injury suffered by or for the death of the Mare and/or her foal and the Holder is therefore recommended to seek professional advice as to appropriate insurance cover.

6.3 Subject to condition 6.1, Darley shall not be liable to the Holder, whether in contract, tort (including negligence), or otherwise, arising under or in connection with this Agreement for any indirect or consequential loss including, without limitation, loss of profits or loss of agreements or contracts.

6.4 Subject to the foregoing, Darley's total liability for any claim whether in contract, tort (including negligence) or otherwise, for any loss or damage, arising out of or in connection with this Agreement or otherwise shall in no case exceed the amount of the LBR Payment.

6.5 Save as is expressly set out in this Agreement, and to the fullest extent permitted by law, all other terms, warranties, representations, and conditions implied by custom, statute, equity or common law are expressly excluded.

7. GENERAL

7.1 **Assignment and other dealings.** Subject to condition 5, the Holder shall not assign or transfer its rights and obligations under this Agreement (including the Breeding Right) without Darley's prior written consent, but Darley may assign, transfer, charge or otherwise deal with its rights under this Agreement.

7.2 **Entire agreement.** This Agreement constitutes the entire agreement between the parties in respect of its subject matter and excludes and supersedes all previous agreements, promises, assurances and understandings between them in relation to its subject matter whether written or oral.

7.3 **Third party rights.** No one other than a party to this Agreement shall have any right to enforce any of its terms.

7.4 **Governing law and jurisdiction.** This Agreement and any dispute or claim arising out of it shall be governed by, and construed in accordance with the laws of England and Wales and the English courts shall have exclusive jurisdiction to settle any such dispute or claim.

7.5 **Severability.** If any provision of this Agreement is held to be partially void, ineffective or unenforceable by any court the said provision shall be given effect in its reduced form and in all cases the validity, effectiveness and enforceability of the other provisions shall not be affected