

CONDITIONS OF SALE

CONSIGNORS AND BIDDERS TAKE NOTICE.

THIS SALE IS CONDUCTED IN COMPLIANCE WITH THE FOLLOWING CONDITIONS OF SALE AND ALL RIGHTS, DUTIES AND/OR CLAIMS OF THE INTERESTED PARTIES SHALL BE GOVERNED BY THE SAME:

FIRST - APPLICABLE LAW: All horses in this sale are offered according to the laws of the Province wherein the sale is conducted. The right to bid, as provided under law, is reserved for all consignors unless otherwise announced.

SECOND - EXCEPT AS SET OUT HEREIN, THERE IS NO REPRESENTATION, WARRANTY OR CONDITION EXPRESS OR IMPLIED BY THE CANADIAN THOROUGHBRED HORSE SOCIETY (BRITISH COLUMBIA DIVISION), OWNER OR CONSIGNOR PURSUANT TO THE SALE OF GOODS ACT OR OTHERWISE. WITHOUT LIMITATION TO THE FOREGOING, THERE IS NO REPRESENTATION OR WARRANTY EXPRESS OR IMPLIED BY THE C.T.H.S. (B.C. DIVISION), OWNER OR CONSIGNOR, AS TO THE RACING SOUNDNESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY HORSE OFFERED IN THIS SALE. ALL HORSES ARE SOLD "AS IS" WITH ALL EXISTING CONDITIONS AND DEFECTS EXCEPT AS SET FORTH IN CONDITIONS EIGHTH, NINTH, TENTH AND ELEVENTH BELOW.

THIRD - BIDDING PROCEDURES: Unless waived by announcement, there shall be an upset price of \$1,000 for all horses entering the sales ring. If any opening bid of the upset price is not immediately forthcoming to the auctioneer's call, the horse shall be led out unsold. Minimum acceptable increases in bidding are \$100.00 until the bidding reaches \$25,000 and \$500 thereafter. The person making the highest bid recognized by the auctioneer shall be the buyer. The auctioneer shall immediately present buyer with a document entitled "Acknowledgement of Purchase" for his or her signature. Should such presentation not be made prior to the commencement of bidding on the next lot offered, the buyer shall forthwith immediately identify himself to the C.T.H.S. (B.C. Division) as buyer and sign "Acknowledgement of Purchase". In the event that such a person other than the recognized buyer signs the "Acknowledgement of Purchase", such action shall not give such person any right or title to the horse; and immediately that such erroneous signing of "Acknowledgement of Purchase" becomes known to the C.T.H.S. (B.C. Division), shall cause the "Acknowledgement of Purchase" to be presented to the recognized buyer for signature.

FOURTH - BIDDING DISPUTES: Should any dispute arise between or among two or more bidders, C.T.H.S. (B.C. Division) shall forthwith adjudicate the dispute and its decision shall be absolute, final and binding on all parties. Bids tendered after fall of the hammer are not valid grounds for dispute. Bids received by personnel employed by the auctioneer have the same stature as bids received by auctioneer. In case of dispute, the bidding shall be reopened for advance bids, and if there be no advance bids, the horse is sold to the person from whom the auctioneer recognized the last bid. Advance bidding shall be restricted to the disputing parties, unless the bid be reduced below the level of the recognized bid at commencement of dispute, in which case bidding is reopened to all. C.T.H.S. (B.C. Division) reserves the right to reject any or all bids.

FIFTH - TITLE AND DELIVERY: Title passes to buyer at fall of the hammer. All risk or injury to the horse becomes buyer's risk at passing of title. Horses shall be held for buyer by consignor until buyer makes settlement if requested by C.T.H.S. (B.C. Division), but in any case shall present himself/herself within thirty minutes of conclusion of the sales session in which the horse was purchased. Upon settlement by buyer, horse will be delivered pursuant to a "Stable Release" provided by the C.T.H.S. (B.C. Division) to buyer or his or her representative. Buyer or his or her representative shall present "Stable Release" to designee of C.T.H.S. (B.C. Division) to remove horse from sales premises after taking possession, but in any case taking possession of the horse by buyer or his or her representative shall constitute delivery. Upon delivery, buyer shall cause horse to be removed promptly from the sales premises, or shall be subjected to stable charges as determined by C.T.H.S. (B.C. Division). In addition should purchaser fail to cause horse to be removed promptly, C.T.H.S. (B.C. Division) may cause horse to be removed from sales premises at buyer's risk and expenses. Although every attempt has been made to ensure foal certificates of horses sold through the C.T.H.S. (B.C. Division) sale are correct, the C.T.H.S. (B.C. Division) and/or the horse identifier cannot be held responsible in the event of any errors.

SIXTH - TERMS FOR SETTLEMENT: All buyers must make settlement with cashier appointed by C.T.H.S. (B.C. Division). Payment to others, including consignors, or their representatives, does not constitute settlement. Buyer shall present himself or herself to make settlement as provided in CONDITION FIFTH above for full purchase price, plus any appropriate sales tax. Such settlement shall be in Canadian funds, either in currency, approved bank cheque, cashier's cheque, certified cheque, money order or traveller's cheque, unless credit has been approved in advance by the cashier appointed by C.T.H.S. (B.C. Division). Bidders are cautioned that approval of credit for prior sales does not establish credit for purchases at this sale, they must re-establish credit prior to bidding. Buyers to whom credit is extended must pay for their purchases in full within seven (7) days of sale. In the event of their failure to do so the C.T.H.S. (B.C. Division) may, in its sole and absolute discretion, declare the buyer in default by placing in Canada Post mail registered or certified mail, a letter addressed to the buyer at the address stated to the C.T.H.S. (B.C. Division) at the time of sale notifying him/her that said sale shall be declared in default in the event full tender of the purchase price is not made to the C.T.H.S. (B.C. Division) within seven (7) days of the receipt of said letter by buyer. Any horse(s) not paid for in full within seven (7) days after the sale shall be subject to a service charge of two (2) percent per month (twenty-four (24) percent per annum) plus a \$150 collection charge per horse beginning on the date of the sale on all amounts owing at seven (7) days until such horse(s) has/have been paid for in full. Interest shall be paid to consignor. The certificate of registration for any horse(s), which is unpaid and on which interest is assessed will be held in the offices of the C.T.H.S. (B.C. Division) until the said interest is paid in full.

SEVENTH - DEFAULTERS: A buyer whose purchase has been declared in default pursuant to CONDITION FIFTH AND CONDITION SIXTH above, shall immediately tender delivery of said horse(s) to the consignor or the C.T.H.S. (B.C. Division) on demand, at any location designated by either of them. Said horse(s) may be resold by the C.T.H.S. (B.C. Division) at public or private sale without any notice to said defaulting buyer. Any and all costs of such resale shall be borne by the defaulter and in the event said resale shall fail to satisfy the defaulter's account in full, the defaulting buyer shall pay to the C.T.H.S. (B.C. Division) any difference between the original defaulted purchase price and the subsequent resale price. In the event said defaulting buyer fails to pay this difference the C.T.H.S. (B.C. Division) and/or the consignor may bring suit against the defaulter to collect this difference. Any defaulting buyer shall further be liable to the C.T.H.S. (B.C. Division) and/or the consignor for any damages of any kind (including but not limited to those damages resulting from injury to said horse(s) after the defaulting buyer takes delivery) which affect the value, racing soundness or breeding soundness which is sustained by the C.T.H.S. (B.C. Division) and/or the consignor as a direct or indirect result of said default.

EIGHTH - WARRANTIES AS TO DESCRIPTION: Unless otherwise announced, there is no representation as to the breeding qualities of any horse described at time of sale as a horse of racing age. Warranties with respect to certain defects pertaining exclusively to horses of racing age as provided in CONDITION NINTH below shall not apply to any horse described at time of sale as broodmare, broodmare prospect, stallion or stallion prospect. Any horse bought or sold after July 2 of its yearling year which is described at time of sale as a colt, and does not at such time have two testes descended to the scrotum, and any horse at any age which is described at the time of sale as a ridgeling, and is at such time a gelding, or is described at time of sale as gelding, and is at such time a colt or ridgeling, or any male horse described at time of sale as female, or any female horse described at time of sale as male, shall be subject to return to Consignor as provided in CONDITION ELEVENTH below.

NINTH - WARRANTIES AS TO SOUNDNESS: Unless expressly announced from the auction stand, or by official publication of C.T.H.S. (B.C. Division), or as hereinafter provided, there is no warranty or guarantee of any horse sold in this sale. Horses with impaired vision or injury to the eye must be so announced. Cribbers must be so announced. Horses of racing age which, on laryngoscopic examination, may be found to have any defect of wind materially affecting suitability for racing must be so announced. Horses of racing age which are "bleeders", or are currently on the Starter's, Stewards' or Veterinarian's list at a licensed racecourse must be so announced.

TENTH - WARRANTIES AS TO BROODMARES: Each broodmare in this sale will be offered with veterinary certificate provided by consignor and acceptable to C.T.H.S. (B.C. Division) showing her to be 1) in foal, in the opinion of the examining veterinarian based on manual examination within ten days prior to the date of sale, or 2) barren, and apparently free of genital disease and in sound breeding condition, in the opinion of the examining veterinarian based on manual and speculum examination within ten days prior to date of sale, or 3) not as described at either 1) or 2) above, and therefore requiring a special announcement. Any buyer of a broodmare may have her examined within twenty-four hours after fall of the hammer, and prior to the removal from the sales premises, by a veterinarian acceptable to C.T.H.S. (B.C. Division). Any broodmare so examined whose pregnancy status and/or breeding condition is found not to be represented in the veterinarian's certificate provided by consignor, except any mare whose pregnancy status and/or breeding condition has materially changed after fall of hammer, may be returned to the consignor as unsold, and consignor shall pay the veterinarian fees for examination. In the event of a material difference in findings between the veterinarians acting for the consignor and buyer as to the pregnancy status and/or breeding condition of any broodmare, a third veterinarian shall be designated by C.T.H.S. (B.C. Division) or by consignor and buyer, acceptable to both consignor and buyer, who shall examine the mare to determine whether or not she may be returned under this CONDITION. Consignor and buyer shall be bound by the referee veterinarian's opinion, which shall be final and without recourse. His or her fee and any reasonable expenses of C.T.H.S. (B.C. Division) shall be paid by the party whose property the mare is determined to be.

ELEVENTH - RIGHT OF RETURN: Any horse sold in this sale which has a condition, that must be announced as provided for at CONDITION EIGHTH and NINTH above, and is not so announced, shall be subject to return to consignor with refund of purchase price and reimbursement for reasonable expenses for keep, maintenance and transportation of horse from the fall of the hammer provided that within twenty-four hours after the date of sale, C.T.H.S. (B.C. Division) receives written notice from the buyer and a written veterinary certificate based on examination by the certifying veterinarian, that such condition exists, time being of essence. All warranties terminate twenty-four hours from the date of sale, after which buyer shall have no right of return under this CONDITION. In addition, all warranties on any horse terminate immediately when such horse leaves the sales ground, whether or not twenty-four hours has passed since date of sale except the warranty of bleeders from Horses of Racing Age Sale shall remain in effect until the end of such race. Further any use of any horse of racing age "under tack" by buyer of his or her representative after discovery of any condition of such horse which would permit its return as provided herein, shall void all right of return, terminate any warranties which might otherwise exist, and ratify and make final the sale of such horse without recourse of any kind against the consignor, his or her representative or C.T.H.S. (B.C. Division). The rights of buyer to return the horse as provided herein to the consignor shall be his sole and exclusive remedy against the consignor, his or her representative and C.T.H.S. (B.C. Division) shall not be liable for any further actual or consequential damages. In any case of return of the horse to the consignor in accordance with these CONDITIONS OF SALE, reasonable expenses for the keep, maintenance and transportation of the horse, from the fall of the hammer until return to the consignor, shall be paid by the consignor.

TWELFTH - BREEDING CONTRACTS: Any contractual agreements between owners of broodmares in this sale and owners of stallions to which these mares have been bred do not follow the mares unless so announced at time of sale. The possible return of any stallion or possible refund of any stud fees does not go with any broodmare, unless so announced at time of sale.

THIRTEENTH - CATALOGUE AND ANNOUNCEMENTS: Horses catalogued in this sale are offered with their pedigrees, racing records, eligibility for incentive programs, engagements, breeding status, produce records, breeders of record, location of where bred, and health and immunization records, as represented by the consignor and C.T.H.S. (B.C. Division) is not responsible for accuracy of information provided. While certain information may have been procured by C.T.H.S. (B.C. Division) from third parties on behalf of consignor, it is nonetheless solely the responsibility of the consignor to verify accuracy of such information and to notify C.T.H.S. (B.C. Division) of any corrections prior to sale. With respect to the produce records of broodmares, the term "barren" shall be construed to mean that the mare was bred, and was not found to have slipped, and failed to produce a foal. In case of error or omission, buyers shall seek redress only from consignor.

FOURTEENTH - ARBITRATION: 1. Any controversy arising out of a claim arising under CONDITION EIGHTH, NINTH and ELEVENTH shall be settled by arbitration between the buyer and consignor pursuant to the following procedure: Upon C.T.H.S. (B.C. Division) determination that a claim under such CONDITIONS OF SALE has been timely and properly presented by the buyer pursuant to CONDITIONS OF SALE, and upon notice of C.T.H.S. (B.C. Division), the buyer and the consignor shall each select a licensed veterinarian acceptable to C.T.H.S. (B.C. Division). If such veterinarians fail to agree promptly as to the validity of the claim, they, or the buyer and the consignor involved in the controversy, shall agree upon a third licensed veterinarian. If two such veterinarians, or the buyer and the consignor are unable to agree promptly upon a third veterinarian, C.T.H.S. (B.C. Division) shall appoint the third veterinarian. The third veterinarian's fee, expenses and costs shall be paid by the party whose property the horse is determined to be. The panel of three veterinarians shall conduct any tests, investigations, or examination, which they deem necessary, and may, in their discretion, conduct a hearing by notifying C.T.H.S. (B.C. Division) to arrange for the hearing and shall, by majority vote, determine the validity of the claim. C.T.H.S. (B.C. Division) shall determine amount of reimbursement due to the Buyer whose claim is found to be valid and may, in its sole discretion, conduct a hearing to aid in making such determination, and such determination shall be incorporated in the award. 2. Any other controversy between or among the buyer, consignor and C.T.H.S. (B.C. Division) arising out of a claim made under these CONDITIONS OF SALE shall be settled by arbitration. 3. Arbitration under 1 and 2 above shall take place in Vancouver, British Columbia, Canada. Judgment upon any award rendered by the arbitrator(s) may be entered by any party and any court having jurisdiction thereof. C.T.H.S. (B.C. Division) will be entitled to reimbursement from the party whose property the horse is determined to be for reasonable attorney's fees and other costs incurred in the arbitration and any related court proceedings.

FIFTEENTH - COLLATERAL AGREEMENTS: C.T.H.S. (B.C. Division) shall not be bound by any oral or written agreement or alleged agreement varying from these CONDITIONS OF SALE between the buyer and the consignor unless agreed to by C.T.H.S. (B.C. Division), and any controversy or claim between the buyer and the consignor arising under any such agreement shall be a matter for their resolution by settlement, litigation, arbitration, or otherwise as they determine.

SIXTEENTH - SEVERABILITY: If any provisions of these CONDITIONS OF SALE is held to be illegal or invalid such illegality or invalidity shall not affect the remaining provisions of the CONDITIONS OF SALE, and they shall be continued and enforced as if such illegal or invalid provision had never been inserted herein.

SEVENTEENTH - GST/PST: GST/PST will be charged where applicable.

**CANADIAN THOROUGHBRED HORSE SOCIETY (BRITISH COLUMBIA DIVISION)
and auctioneers employed by above.**