

CONDITIONS OF SALE

FIRST – APPLICABLE LAW: LIMITATIONS OF WARRANTY; VENUE; AND WAIVER OF JURY TRIAL; The sale and purchase of all horses in this sale, and all matters incidental thereto shall be governed by the laws of the State of Oklahoma. Venue and jurisdiction for all legal proceedings arising out of the sale and purchase of any horse sold by Carter Sales Company or out of the construction interpretation or enforcement of these conditions of sale and the rights, remedies and duties of the parties hereto in which Carter Sales Company or the auctioneer (hereinafter collectively “CSC” is a party shall be solely and exclusively in Oklahoma County, Oklahoma. THE CONSIGNOR, PURCHASER AND CSC AND THEIR RESPECTIVE AGENTS, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THAT THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION ARISING FROM OR CONNECTED WITH THIS SALE OR ANY REPRESENTATIONS, STATEMENTS OR ACTIONS OF THE PARTIES RELATIVE TO ANY HORSE, HORSES OR CONDUCT.

THERE IS NO WARRANTY EXPRESS OR IMPLIED BY THE CSC, OWNER OR CONSIGNOR, AS TO ANY CONDITIONS OF ANY HORSE INCLUDING BUT NOT LIMITED 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.

SECOND – BIDDING PROCEDURE: Unless waived by announcement, there shall be an upset price as set forth on the title page of the sales catalogue or \$1,000, whichever is greater on any horse entering the sales ring. If an opening bid of the upset price is not immediately forthcoming to the auctioneer’s call, the horse shall be led out as unsold. Minimum acceptable increases in bidding are \$100 up to \$25,000 and \$1,000 thereafter. The highest bidder shall be the buyer. The successful bidder shall forthwith sign the Acknowledgment of Purchase; should the Acknowledgment of Purchase not be presented to him for signature prior to the commencement of bidding on the next lot offered, he shall forthwith identify himself to auctioneer as purchaser, and sign the Acknowledgment of Purchase when presented. The right of purchase of a successful bidder is not impaired in the case of signing of the Acknowledgment of Purchase by another, provided that such bidder acts in accordance with THIS CONDITION OF SALE and CONDITIONS OF SALE THIRD below. The right to bid is reserved for all consignors unless otherwise announced.

THIRD - BIDDING DISPUTES: Should any dispute arise between two or more bidders, the auctioneer shall forthwith adjudicate the dispute, and his decision shall be absolute, final, and binding on all parties. Bids received after the fall of the hammer are not grounds for dispute. Bids acknowledged by bid spotters employed by CSC are recognized as if tendered to auctioneer, but in case of a dispute the bidding on the horse shall be forthwith reopened for advance bids, and if there, be no advance, the horse is sold to the person from whom the auctioneer recognized the last bid. In the case of such a dispute, advance bidding shall be restricted to the contending parties, but should the recognized bid be reduced below the bid of commencement of dispute, then the bidding is reopened to all bidders, regardless of whether or not the final bid exceeds bid which was disputed. The auctioneer reserves the right to reject any or all bids.

FOURTH – TITLE, RISK, AND DELIVERY: TITLE PASSES TO THE PURCHASER AT THE FALL OF THE AUCTIONEE’S HAMMER, AND ALL RISK OF LOSS OR INJURY THEREAFTER SHALL BE THAT OF THE PURCHASER. Purchaser shall be responsible for the care, custody, control and security for the horse and for all expenses relating thereto. Both consignor and purchaser agree to release, defend, indemnify and hold CSC and the owners and / or operators of the facilities and their directors, officers, employees, agents and representatives, harmless from all losses, damages, expenses, claims, causes of action or attorneys’ fees arising out of injuries or damage caused by the horse after the fall of the hammer, including those injuries or damages caused by the negligence, active or passive, of CSC or any of its directors, officers, employee, agents or representatives.

Solely, as an accommodations to purchaser, physical possession of each purchased horse shall be retained by consignor until purchaser makes settlement as provided in CONDITION FIFTH below and purchaser requests physical possession of the horse, WHICH REQUEST SHALL BE MADE NO LATER THAN EIGHT (8) HOURS AFTER THE FALL OF THE HAMMER. Delivery of the horse will be by means of a “stable release” that will be provided by CSC upon settlement, which release shall be presented to CSC’s designee in order to allow removal of the horse from the sales premises. Upon taking physical possession, purchaser shall cause horse to be removed promptly from the sales premises, or shall be subject to stable charges as determined by CSC. In addition, should purchaser fail to cause horse to be removed promptly, CSC, or any of its directors, officers, employees, agents, representatives or any other persons at the direction of CSC, may cause the horse to be moved for any reason, from one location to another, including the removal and boarding of the horse off the premises of CSC, at purchaser’s risk and expense. CSC shall not be liable in any way for any injury or damage to the horse or any third person as a result of such care, handling or movement of said horse due to its own negligence, active or passive, or the negligence of third persons. Upon taking physical possession, purchaser shall cause horse to be removed promptly from the sales premises, or shall be subject to stable charges as determined by CSC. In addition, should purchaser fail to cause horse to be removed promptly, CSC may cause horse to be removed from the sales premises and boarded at purchaser’s risk and expense.

FIFTH – TERMS FOR SETTLEMENT; Purchaser shall make settlement immediately upon request by the CSC, but in no event later than thirty minutes after the conclusion of the sales session in which the horse is sold for the full purchase price. Such settlement shall be in U.S. funds in the form of U.S. currency, or an approved bank check, certified check, or cashiers check, unless credit shall have been approved in advance by CSC. ALL PAYMENTS SHALL BE MADE ONLY TO THE CARTER SALES COMPANY; PAYMENT MADE TO ANY OTHER PERSON, INCLUDING THE SELLER OR HIS REPRESENTATIVE, SHALL NOT CONSTITUTE PAYMENT. The failure of CSC to obtain advance credit approval shall not be a defense to any claim made by CSC.

SIXTH – DEFAULT: Any purchaser who fails to sign an Acknowledgment of Purchase when required to do so, or fails in any respect whatsoever to make settlement in accordance with CONDITION FIFTH above, shall be in default. Any person in default shall immediately become liable to CS C for the full amount of the purchase price of all horses purchased, and any costs incurred by CSC in the collection thereof, including reasonable attorney's fees. Although it shall not be obligated to do so, shall CSC shall have the right to re-sell any horse in default at any public or private sale selected by CSC in its sole discretion, including any session of this sale without prior notice, for the defaulter's account. Any amount realized from such sale, after deducting the costs incurred in the sale shall be credited to the defaulter's account, with the defaulter being liable for any deficiency.

SEVENTH – AUTHORIZED AGENTS: Persons acting as agents must file notarized letters of authorization from the principal stating the agent is acting on their behalf and that said principal will be responsible for the agent's sales or purchases. These letters must be on file with the sales office prior to the start of the sale. FAILURE TO COMPLY WITH THIS CONDITION OF SALE WILL IMPOSE PERSONAL LIABILITY UPON SUCH AGENT FOR PURCHASES OR SALES BY SAID AGENT ON BEHALF OF SAID PRINCIPAL; PROVIDED HOWEVER, THAT THE FAILURE OF CSC TO OBTAIN SUCH WRITTEN AUTHORIZATION SHALL NOT PRECLUDE CSC FROM ALSO PROCEEDING AGAINST THE PRINCIPAL.

EIGHTH – CATALOGUE AND ANNOUNCEMENTS: THE ACCURACY OF ALL INFORMATION ON THE CATALOGUE PAGE(S) IS THE SOLE RESPONSIBILITY OF THE CONSIGNOR. Consignor shall have the affirmative duty to examine the catalogue page(s), on which horses consigned by him or her appear, prior to sale and report any inaccuracies to CSC so that it may make an appropriate announcement at time of sale. While certain information may have been procured by CSC from third parties on behalf of consignor, it is nonetheless solely the responsibility of consignor to verify the accuracy of such information and to notify the undersigned of any corrections prior to the sale. **STAKES ENGAGEMENTS, PRODUCE RECORDS AND ALL OTHER INFORMATION SO LISTED ARE AS REPRESENTED BY THE CONSIGNOR, TO WHOM ONLY THE PURCHASER SHALL LOOK FOR REDRESS IN CASE OF ERRORS OR OMISSION.** ANY CLAIM REGARDING INACCURACY OF SUCH INFORMATION NOT OTHERWISE PROVIDED FOR MUST BE PRESENTED IN WRITING TO THE SALES COMPANY WITHIN THIRTY (30) DAY OF THE DATE OF THE SALE AFTER WHICH BUYER SHALL HAVE NO RIGHT TO MAKE SUCH CLAIMS.

NINTH – SALES COMPANY CAPACITY: Unless otherwise announced, CSC is acting solely as an agent and not as a principal in the sale of all horses presented at this sale.

CARTER SALES COMPANY, INC

