

**CONDITIONS OF SALE.** This sale is conducted in accordance with, and all acts of interested parties and/or claims by them shall be governed, by the following

**FIRST - APPLICABLE LAW, DEFINITIONS AND NOTICES:** All consignors, agents, buyers, bidders, or interested parties, and all sales, are subject to, and governed by, these Conditions of Sale (“CONDITIONS”). All horses in this sale are offered and sold according to the internal laws, and procedural rules, of the Province of B.C., without regard to conflict of law principles. **Privacy Notice:** Buyers, consignors, bidders and all attendees at the sale each authorize Hastings Paddock Sale to utilize in Hastings Paddock Sale’s advertising or promotions, his or her name, photograph, likeness and related information or the name, photograph, likeness and related information of any horse offered or purchased, without further authorization or compensation.

**SECOND - THERE ARE NO IMPLIED WARRANTIES; ONLY LIMITED WARRANTIES GIVEN BY CONSIGNOR:** THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS GIVEN BY HASTINGS PADDOCK SALE (OR ANY OF ITS OWNERS, EMPLOYEES, REPRESENTATIVES, AGENTS, SPONSORS OR INDEPENDENT CONTRACTORS), THE AUCTIONEER, ANY CONSIGNOR OR ANYONE ELSE CONCERNING OR PERTAINING TO ANY HORSE OFFERED FOR SALE OR SOLD IN THIS SALE, INCLUDING, BUT NOT LIMITED TO, AS TO THE SOUNDNESS; CONDITION; SUITABILITY TO BE TRAINED, RACED OR BRED; PREGNANCY; BREEDING STATUS; BREEDING QUALITIES; FERTILITY; MERCHANTABILITY; FITNESS FOR ANY PARTICULAR PURPOSE; OR ANY OTHER QUALITY OR ATTRIBUTE OF ANY HORSE. ALL HORSES ARE OFFERED AND SOLD “AS IS” AND WITH ALL FAULTS AND DEFECTS, EXCEPT FOR ANY APPLICABLE LIMITED WARRANTIES GIVEN BY CONSIGNOR THAT ARE SET FORTH IN CONDITIONS EIGHTH, NINTH, TENTH, ELEVENTH, TWELFTH, THIRTEENTH OR FOURTEENTH HEREOF. BUYER AND CONSIGNOR ARE BOUND BY ALL ANNOUNCEMENTS FROM THE AUCTION STAND AND ALL STATEMENTS MADE IN ANY OFFICIAL HASTINGS PADDOCK SALE PUBLICATION. All announcements from the auction stand made on behalf of the consignor may be subject to review by Hastings Paddock Sale. Hastings Paddock Sale shall have the right, in its sole and absolute discretion, to refuse to make any announcement requested by the consignor or any other person, and Hastings Paddock Sale shall have no responsibility or liability for the refusal or failure to make any announcement, or for the timing or contents of any announcement made. Buyer acknowledges and agrees that there are numerous conditions, injuries, diseases, medical procedures, and other matters affecting horses, including, but not limited to, the horses’ suitability to be trained to race, to be raced or to be bred, for which no warranty is provided in these CONDITIONS. The identity of the owner of any horse being sold is not warranted under these CONDITIONS. The duties and obligations of Hastings Paddock Sale to consignors, buyers, bidders and all interested parties are strictly limited to those expressly imposed upon Hastings Paddock Sale by these CONDITIONS. All other duties and obligations, including, but not limited to, any agency, fiduciary duties or other duties which might otherwise be imposed upon Hastings Paddock Sale by operation of law or otherwise, are hereby expressly disclaimed, waived and relinquished by consignor, buyer, bidder and all interested parties. Without limiting the generality of the foregoing, Hastings Paddock Sale is not an agent or fiduciary of any consignor, buyer, bidder or any interested party.

**THIRD - BIDDING PROCEDURES:** Consignors, including their disclosed and undisclosed agents, may bid on the horses they offer for sale, unless otherwise announced from the auction stand or prohibited by law. Consignors have the right to set reserve bids and the right to conduct buy-bidding on any horse they offer for sale. All bidders must be at least 18 years of age and must have in their possession written proof of age and identity. There shall be an upset price with respect to each horse offered for sale. If an opening bid of the upset price is not immediately forthcoming to the auctioneer’s call, the horse shall be led out of the sale ring unsold. Minimum increases in bidding are: \$100 until the bid reaches \$20,000; \$500 (or greater amount established by the auctioneer) on bids over \$20,000. The person making the highest bid recognized by the auctioneer shall be the buyer, who shall forthwith identify and present himself or herself to the auctioneer or Hastings Paddock Sale as the buyer, and

shall immediately fully complete and sign the Hastings Paddock Sale’s form of Acknowledgment of Purchase. In the event the person making the highest bid recognized by the auctioneer fails or refuses to immediately identify and present himself or herself, complete and sign the Acknowledgment of Purchase or immediately pay for a horse upon request: (1) Hastings Paddock Sale may elect, in its sole and absolute discretion, to either re-enter the horse at the same or next available sales session, withdraw the horse entirely from the sale, or resell the horse at public or private sale without prior notice, and Hastings Paddock Sale shall have no liability for such election or action; and (2) such person shall be liable for the amount of the hammer price (or any deficiency if the horse is resold), plus any taxes and any other damages in an arbitration brought by consignor. In the event that a person other than buyer signs the Acknowledgment of Purchase, such action shall not give any such person any right, title, or interest to the horse, and the same shall not alter any of buyer’s obligations under these CONDITIONS. Any person bidding, buying or signing an Acknowledgment of Purchase on behalf of or in the name of a corporation, partnership, trust, stable, estate or other form of entity or association, including as authorized agent, is jointly liable to perform all of the obligations of such corporation, partnership, trust, stable, estate or other form of entity or association under these CONDITIONS. Any person bidding, buying or signing an Acknowledgment of Purchase as agent for any principal is jointly and severally liable to perform all of the obligations of the principal under these CONDITIONS, unless the buyer named on the Acknowledgment of Purchase has prior thereto signed and filed with Hastings Paddock Sale for this particular sale a Hastings Paddock Sale’s agent authorization form (or personal letter of authorization containing all pertinent information), affirmatively accepted in writing by Hastings Paddock Sale in its sole and absolute discretion, designating the person signing the Acknowledgment of Purchase as buyer’s agent for such principal. Buyer agrees to be bound and responsible for any and all acts or omissions of any agent designated by buyer. All persons acting as agent for principals are responsible for making settlement for the full purchase price for each horse purchased no later than thirty (30) minutes from the fall of the hammer for each such horse. Prior acceptance or acquiescence by Hastings Paddock Sale, including, but not limited to, with respect to any agent authorization, shall not be effective or create any precedent for this sale and in the event that Hastings Paddock Sale accepts an agent authorization form or letter which is later found to be invalid, such acceptance shall not be effective for any purpose whatsoever.

**FOURTH - BIDDING DISPUTES:** The auctioneer shall decide all disputes over, and all other matters pertaining to, bidding, and the auctioneer’s decision on all such matters shall be final and binding. Hastings Paddock Sale or the auctioneer shall have the absolute right to refuse the opportunity of any person to bid or to refuse or reject any or all bids. Bids tendered after the fall of the hammer are not valid. Bids received by bid spotters have the same status as bids received by the auctioneer. If in the case of a dispute, bidding is reopened by the auctioneer for advance bids, and if there is no advance bid, the horse is sold to the person whom the auctioneer previously recognized as making the last bid. Advance bidding shall be restricted to the disputing parties, unless the bid is reduced below the level of the last recognized bid at commencement of the dispute, in which case bidding shall be reopened to all.

**FIFTH - TITLE; ASSUMPTION OF RISK; RELEASE; INDEMNIFICATION:** (A) Title of a horse immediately passes to buyer at the fall of the hammer for the horse, at which time buyer shall be solely liable for the care, custody, control and security of the horse and for any and all expenses relating to the horse. Consignor designates Hastings Paddock Sale as consignor’s attorney-in-fact to execute and deliver any and all documents and certificates regarding or reflecting the transfer of ownership of any horse from consignor to buyer.

(B) Buyer assumes all risk of injury, illness or death of the horse purchased, commencing from the fall of the hammer for the horse. Buyer releases, discharges, waives and relinquishes any and all claims, liabilities, damages or losses of any nature whatsoever buyer has, may have or hereafter may have against Hastings Paddock Sale, Vancouver, British Columbia, Hastings Park Premises or Grounds, the owners and/or operators of the Hastings Paddock Sale or Hastings Racecourse facilities, premises or grounds, and each of their respective directors, officers, partners, shareholders, owners, employees, representatives, agents, sponsors or independent contractors (jointly and severally the “Hastings Paddock Sale Released” throughout these CONDITIONS)

from, or arising out of, any description, identification, accident, sickness, disease, theft or death of any horse (and any in utero foal) purchased wherever or however the same may occur, including but not limited to, any description, identification, injury, accident, sickness, disease, theft or death by reason of or caused by, whether in whole or in part, any alleged passive or active negligent or grossly negligent act, omission or conduct by or of any of the Hastings Paddock Sale Released.

(C) Buyer agrees to defend, indemnify or hold the Hastings Paddock Sale Released harmless from any claim, liability, damage or loss caused or contributed by, whether in whole or part, any horse purchased, arising after the fall of the hammer, including but not limited to, all reasonable expenses and attorney’s fees incurred by the Hastings Paddock Sale Released in defending all such claims, liabilities, damages or losses. The defense of the Hastings Paddock Sale Released shall be with counsel chosen by the Hastings Paddock Sale Released, but paid for by buyer. The Hastings Paddock Sale Released shall be defended, indemnified and held harmless regardless of whether any claim, liability, damage or loss is caused or contributed to, by the passive or active negligent or grossly negligent act, omissions or conduct by or of any of the Hastings Paddock Sale Released.

**SIXTH - PAYMENT; DELIVERY; SECURITY INTEREST; DEFAULTS:** (A) Buyer shall make payment, without offset, for the full purchase price, plus any applicable sales or use tax (including any subsequently claimed or imposed by any taxing authority) solely to Hastings Paddock Sale, in the form of CDN. currency or equivalent acceptable to Hastings Paddock Sale in its sole and absolute discretion. Remittances to any person or entity other than Hastings Paddock Sale shall not constitute payment. The buyer shall fully pay for any horse purchased no later than thirty (30) minutes after the conclusion of the sale session at which the horse was purchased. In the event buyer does not pay for a horse in full when payment is due, buyer shall pay Hastings Paddock Sale a finance charge, on all unpaid amounts, of one and one half percent (1½%) or the maximum legal rate, whichever is higher, per month beginning on the date of purchase, together with all reasonable attorneys’ fees and costs incurred by Hastings Paddock Sale in collecting any such unpaid amounts. A horse shall be delivered to buyer only by means of a Hastings Paddock Sale’s “delivery order” and no “delivery order” shall be issued, and no horse shall be removed from Hastings Paddock Sale’s sales premises, until buyer fully pays for the horse, or otherwise settles buyer’s account to Hastings Paddock Sale’s satisfaction in Hastings Paddock Sale’s sole and absolute discretion. Buyer must take possession of the horse no later than noon on the day following the sale of the horse and shall remove the horse from Hastings Paddock Sale’s sales premises promptly thereafter. In the event buyer fails to do the foregoing, Hastings Paddock Sale may, in its sole and absolute discretion, but is not obligated to, maintain, treat, care for or board the horse at locations selected by Hastings Paddock Sale, all at buyer’s sole expense and risk and without liability whatsoever to Hastings Paddock Sale, and buyer shall pay Hastings Paddock Sale all costs and expenses incurred by Hastings Paddock Sale relative to the horse from the fall of the hammer. Buyer agrees that no bailment by Hastings Paddock Sale is established with respect to any horse purchased and that in all actions against Hastings Paddock Sale, buyer shall have the burden of proof of establishing any claim, liability, damage or loss. Buyer agrees that consignor holds any purchased horse, from the fall of the hammer for the sale of the horse until buyer takes delivery and possession of the horse, gratuitously and solely as an accommodation to buyer.

(B) Buyer grants to Hastings Paddock Sale a “Security Interest” in all horses purchased by buyer, in any Jockey Club Registration or Stallion Service Certificate for such horses, and any foals, products or proceeds of such horses, in the amount of any outstanding sum owed to Hastings Paddock Sale, whether for this sale or otherwise, and buyer authorizes Hastings Paddock Sale to sign any “Financing Statement” or form as buyer’s attorney-in-fact. Buyer agrees that Hastings Paddock Sale shall have all rights and remedies of a secured party pursuant to this CONDITION, the British Personal Property Registration Act or other applicable law.

(C) Time is of the essence as to all of buyer’s obligations under these CONDITIONS, including, but not limited to, making payment, taking delivery and possession of horses, removing horses from Hastings Paddock Sale’s sales premises, and asserting warranty and arbitration claims. Hastings Paddock Sale shall determine if a warranty claim has been timely and properly made and that determination shall be final and binding, absent fraud or bad faith of Hastings Paddock Sale. Should buyer fail to

comply in any respect with buyer's obligations under these CONDITIONS, Hastings Paddock Sale may, in its sole and absolute discretion, pursue any remedy available against buyer, including, but not limited to, taking possession of any horses (and/or their foals) purchased by buyer, taking and maintaining possession of any Jockey Club Registration or Stallion Service Certificates for any such horses, or reselling any such horses at public auction or by private treaty, without prior notice, for account of buyer, with buyer remaining liable for any deficit, and for all costs of maintenance and resale, together with all reasonable attorneys' fees, and legal or other costs. Hastings Paddock Sale shall have the right to withhold delivery of all Jockey Club Registration and Stallion Service Certificates for any horse purchased until such time as buyer's account with Hastings Paddock Sale with respect to any and all matters, whether for this sale or otherwise, has been paid in full. Hastings Paddock Sale shall have the right to withhold delivery of all Jockey Club Registration and Stallion Service Certificates for any horse withdrawn, not sold, or re-purchased by consignor until such time as consignor's account with Hastings Paddock Sale with respect to any and all matters, whether for this sale or otherwise, has been paid in full. Hastings Paddock Sale may, in its sole and absolute discretion, pay all or part of the purchase price of a horse to a consignor despite any default by buyer (and in such event, the amount paid by Hastings Paddock Sale shall be owed by buyer to Hastings Paddock Sale) or to withhold such payment from consignor. Buyer shall pay to Hastings Paddock Sale a seventy-five dollar (\$75.00) fee for each cheque returned unpaid for any reason.

**SEVENTH - ENTRY FEES AND COMMISSIONS:** In addition to the \$400 Entry Fee, consignors will pay a Commission of five percent (5%) on horses that sell for more than \$5,000. (For example, in addition to the \$400 Entry Fee, the Commission for a horse that sells for \$5,500 will be \$25.) There will be no Commission on the first \$5,000 for any horse that sells.

A Commission of five percent (5%) of the entire last accepted bid, by whomsoever made, will be charged on horses that are Not Sold or are RNA. (For example, in addition to the \$400 Entry Fee, the Commission on a horse that is Not Sold or RNA with a last accepted bid of \$10,000 will be \$500.)

**EIGHTH - LIMITED WARRANTIES AS TO SOUNDNESS—48 HOURS:** (A) Unless otherwise announced from the auction stand, or stated in an official Hastings Paddock Sale publication, consignor warrants for any horse sold by consignor that: (1) the horse's sexual description as set forth in the Catalog is accurate; (2) the horse at the time of sale has no impairment of vision or injury to the eye that materially affects its suitability for its intended purpose; and (3) with respect to any horse sold after July 1 of its yearling year (breeding stock excepted) that: (i) the horse, on laryngoscopic examination, does not at the time of sale have any defect of wind materially affecting its suitability for racing; or (ii) the horse does not at the time of sale have any injury to or disease of the bone structure which will more likely than not have a material, chronic and adverse effect upon its suitability to be trained for racing.

(B) Any horse that is not as warranted as provided in (A) of this CONDITION may be returned to consignor pursuant to CONDITION FOURTEENTH, provided Hastings Paddock Sale actually receives written notification, and all supporting documentation of buyer's claim, including, but not limited to, a veterinary certificate, not later than FORTY-EIGHT (48) hours after the end of the sales session at which the horse was sold and in the event buyer fails to do so, buyer shall have no right to make any claims for such warranties. In all events, the warranties under this CONDITION shall immediately terminate, and buyer shall have no right to make any claim under them, if the horse is removed from Hastings Paddock Sale's sale premises; the horse is used "under tack" after buyer or any representative of buyer knew, or should have known, any fact or circumstance indicating that the horse was not as warranted in this CONDITION; or if the horse starts in a race.

**NINTH - OTHER LIMITED WARRANTIES AS TO SOUNDNESS - 72 HOURS** (A) Unless otherwise announced from the auction stand, or stated in an official Hastings Paddock Sale publication, consignor warrants for any horse sold by consignor that: (1) the horse at the time of sale is not a "cribber;" (2) the horse is at the time of sale not a "wobbler;" and (3) the horse has never been nerved.

(B) Any horse that is not as warranted as provided in (A) of this CONDITION may be returned to consignor pursuant to CONDITION FOURTEENTH, provided

Hastings Paddock Sale actually receives written notification, and all supporting documentation of buyer's claim, including, but not limited to, a veterinary certificate, not later than SEVENTY TWO (72) hours after the end of the sales session at which the horse was sold and in the event buyer fails to do so, buyer shall have no right to make any claims for such warranties. In all events, the warranties under this CONDITION shall immediately terminate, and buyer shall have no right to make any claim under them, if the horse is not located within seventy five (75) miles of Hastings Paddock Sale's sales premises at the time any claim is made and does not remain within said seventy five (75) miles through and including the making of any arbitration determination under CONDITION FIFTEENTH (B) with respect to such claim; the horse is used "under tack" after buyer or any representative of buyer know, or should have known, any fact or circumstance indicating that the horse was not as warranted in this CONDITION; or if the horse starts in a race.

**TENTH - OTHER LIMITED WARRANTIES:** (A) Unless otherwise announced from the auction stand, or stated in an official Hastings Paddock Sale publication, consignor warrants for any horse sold, each of the following matters: (1) the buyer will upon purchase own 100% of the horse free and clear of all liens, encumbrances, leases or other charges (collectively "Liens"), other than the security interest granted in favor of Hastings Paddock Sale pursuant to (B) of CONDITION SIXTH; (2) the identity of the horse (and any in utero foal), as stated in the Catalog, is accurate; (3) the horse's pedigree, produce record, race record, foaling date, and breeding date (in the case of a broodmare), as stated in the Catalog, are materially accurate; (4) the horse's foaling place and eligibility for incentive, engagement and similar matters, as stated in the Catalog, are materially accurate; (5) the horse's written health or immunization records, to the extent provided by the consignor to Hastings Paddock Sale and either announced from the auction stand or made available for buyer's inspection by Hastings Paddock Sale, are materially accurate; and (6) the horse is at the time of sale not on any Starter's, Steward's or Veterinarian's List at any licensed race course. It is the sole responsibility of consignor to verify all information that is the subject of this CONDITION. Hastings Paddock Sale shall have no responsibility or liability for any of the information that is the subject of this CONDITION, or for any other information provided by Hastings Paddock Sale regarding any horse offered for sale or sold in this sale, including, but not limited to, any information that was procured, obtained or reviewed by Hastings Paddock Sale.

(B) Any horse that is not as warranted as provided in (A) of this CONDITION may be returned to consignor pursuant to CONDITION FOURTEENTH, provided that buyer makes a claim in writing, accompanied by all supporting documentation, actually received by Hastings Paddock Sale promptly upon discovery of the inaccuracy of the information by buyer or any representative of buyer, and in the case of the matters warranted in (A)(3) through and including (A)(6) of this CONDITION, such claim and all supporting documentation must be actually received by Hastings Paddock Sale, in all events, not later than TWENTY-ONE (21) days after the end of the session at which the horse was sold. In the event that buyer fails to comply with the foregoing sentence, buyer shall have no right to make any claims under this CONDITION and the warranties of this CONDITION shall terminate.

(C) Consignor shall have the option to cure any defect of title or claim of Liens, and if promptly and completely cured, buyer shall be barred from making any claim in connection therewith. With respect to any claim that the horse is not eligible as warranted for any incentive program, engagement or similar matter, consignor shall have the option to promptly establish such eligibility, and if promptly and completely established, buyer shall be barred from making any claim in connection therewith. Eligibility for stakes engagements, incentive programs and similar matters are as of the date of sale only, and all payments for such eligibility which are due after the date of sale are solely the responsibility of buyer, whose obligation it is to immediately determine when such payments are due and to notify the proper organization of new ownership in order to receive direct billing. Information contained in the Catalog concerning the horse's foaling place does not mean that the horse is eligible for races restricted to horses bred and/or foaled in that particular place and does not mean that the horse is eligible for any award programs on account of foaling in such place.

(D) Unless otherwise announced from the auction stand consignor warrants that consignor does not have actual knowledge (or constructive knowledge from documents

deposited in a repository in connection with a public auction at which a horse was purchased by consignor) of the following matters: (1) for horses that are two years of age or less at the time of sale, that the horse has undergone invasive joint surgery or surgical intervention of the upper respiratory tract; (2) for all horses, that the horse has undergone either (i) abdominal surgery of any type within two (2) calendar years preceding the sale of the horse or (ii) any resection of an abdominal organ (partial or complete) at any time, except to repair a ruptured bladder in a newborn foal; and (3) for broodmares, that the broodmare has undergone within two (2) calendar years preceding the sale of the broodmare: (i) a caesarean section delivering a fetus, (ii) surgery involving the cervix, (iii) an urethral extension or (iv) the removal of an ovary. Any horse that is not as warranted may be returned to consignor pursuant to CONDITION FOURTEENTH, provided that buyer makes a claim in writing, accompanied by all supporting documentation, actually received by Hastings Paddock Sale promptly upon discovery by buyer or any representative of buyer of any fact or circumstance indicating that the horse was not as warranted in this CONDITION, but in all events, such claim must be actually received by Hastings Paddock Sale not later than **FOURTEEN (14) days** after the end of the session at which the horse was sold. In all events, the warranties under this CONDITION shall immediately terminate, and buyer shall have no right to make any claim under them, if the horse is used "under tack" after buyer or any representative of buyer knew, or should have known, any fact or circumstance indicating that the horse was not as warranted in this CONDITION, or if the horse starts in a race.

(E) Solely as an accommodation, Hastings Paddock Sale may provide timing information and video relating to certain horses. Buyer, consignor, bidders and all interested parties each hereby release the Hastings Paddock Sale Released from any liability or claims arising out of or relating to such information or video, including, but not limited to, the availability, accuracy or reliability thereof.

**ELEVENTH - PROHIBITED PRACTICES:** (A) The following are not permitted in connection with any sale horse while on the Hastings Paddock Sale or Hastings Racecourse grounds, or within seventy two (72) hours of any training preview or seventy two (72) hours of the horse's sale session regardless of the horse's location: (i) extracorporeal shock wave therapy or radial pulse wave therapy; (ii) acupuncture and/or electro-stimulation altering or attempting to alter laryngeal function; or (iii) any invasive procedure which conceals chronic lameness or any material condition that more likely than not adversely affects the horse's suitability to be trained for racing. No sale horse shall, at any time, have had any internal blister or other injections to the horse's knee altering or attempting to alter its conformation. No electrical devices designed or intended to increase the speed of a sale horse or to enhance its performance shall be used while the horse is on the Hastings Paddock Sale or Hastings Racecourse grounds. Any and all of the foregoing shall be a "Prohibited Practice" and consignor warrants that no Prohibited Practice has occurred or taken place in connection with any horse offered for sale by consignor.

(B) Any horse that is not as warranted as provided in (A) of this CONDITION may be returned to consignor pursuant to CONDITION FOURTEENTH provided that buyer makes a claim in writing, accompanied by all supporting documentation, actually received by Hastings Paddock Sale promptly upon discovery by buyer of any Prohibited Practice, but in all events no later than SEVEN (7) days after the end of the session at which the horse was sold. In the event that (i) buyer fails to comply with any of the foregoing requirements; (ii) buyer uses the horse under-tack after buyer's discovery of a Prohibited Practice; or (iii) buyer races the horse, buyer shall have no right to make any claims under this CONDITION and the warranties of this CONDITION shall terminate.

**TWELFTH - MEDICATION WARRANTIES AND POST-SALE TESTING:** (A) Consignor warrants that all medications administered to a sale horse within either seventy two (72) hours of any of its training previews or seventy two (72) hours of the start of its sales session: (i) will not materially exceed the manufacturers' recommended dosages and guidelines; and (ii) will, together with the dosage and time of administration, be reported to Hastings Paddock Sale in writing on a daily basis and updated no later than two (2) hours prior to the start of the sale session. Consignor warrants that no medication will be administered to a sale horse within two (2) hours

of the start of its sale session through the time it enters the sales ring, unless such medication, dosage and time of administration is announced by the auctioneer from the auction stand prior to the sale of the horse. Consignor is solely responsible for providing the auctioneer with such information in writing in a timely manner. Consignor warrants that all information required to be provided by consignor under this paragraph, as well as the horse's medication report in the possession of the sale veterinarian pursuant to GPEB regulations, shall be complete, accurate, valid and authentic in all material aspects.

(B) Consignor warrants that no exogenous anabolic steroids have entered the system of any sale horse (broodmares, broodmare prospects, stallions and stallion prospects excepted) within sixty (60) days either prior to any of its training previews or prior to the sale of the horse.

(C) In connection with any sale horse, consignor warrants that either within seventy two (72) hours prior to any of its training previews or seventy two (72) hours prior to the start of its sales session: (i) no more than two (2) non-steroidal anti-inflammatory drugs (NSAIDS) were administered; (ii) no cortico-steroid was administered, except Dexamethasone. Consignor warrants no bronchodilators, including but not limited to Clenbuterol and Albuterol, were administered within 21 days prior to any of its training previews and/or start of its sale session. Consignor warrants that none of the following medications have been administered to any sale horse while on facilities, premises or sales grounds, or either within seventy two (72) hours prior to any of its training previews or seventy two hours prior to the start of its sales session: (i) all substances classified as either Class 1 or Class 2 by the Association of Racing Commissioners International; (ii) furosemide (Salix or Lasix); or (iii) procaine penicillin.

(D) Hastings Paddock Sale and the sale veterinarian assigned to the auction are entitled to take, on a random or selective basis, blood or other samples from any horse after it is sold. For purposes of this CONDITION, buyer is entitled to request that a blood sample be taken from a horse purchased by buyer, if and only if buyer completes Hastings Paddock Sale's request form (available at the Hastings Paddock Sale's sales office) and concurrently pays a non-refundable \$250 administrative fee to Hastings Paddock Sale, within 15 minutes of the fall of the hammer for the sale of the horse. In the event consignor refuses to cooperate with, or allow, the taking of any such samples, Hastings Paddock Sale may, in its sole discretion, determine that buyer has the right to return the horse to consignor in accordance with the provisions of (F) of this CONDITION. Consignor and buyer acknowledge that testing of any such samples may not test for all medications which are the subject of this CONDITION and may not necessarily ascertain whether or not a consignor has complied with the warranties of this CONDITION. All testing, including of any split sample, shall be conducted at the direction of, and by laboratories selected by, Hastings Paddock Sale or the sale veterinarian, as the case may be. Any different or additional testing shall have no bearing whatsoever on this CONDITION. Neither Hastings Paddock Sale, B.C.T.O.B.A., the sale veterinarian, the testing laboratories nor any of their respective officers, directors, owners, agents, representatives, veterinarians, employees or contractors shall have any liability whatsoever in connection with or arising out of the taking of any samples from a horse, the testing of any samples, or the results of, or determinations made in connection with, any such testing, including, but not limited to, they each shall have no liability for any incidental, special or consequential damages or any lost profits or revenues whatsoever.

(E) If in the determination of Hastings Paddock Sale the results of the samples taken and tested pursuant to (D) of this CONDITION reveals that it is more than likely than not that consignor has failed to comply with any of the warranties made by consignor in (A), (B) or (C) of this CONDITION ("Positive Test"), then the following shall occur: (i) buyer will be notified by Hastings Paddock Sale of the Positive Test; (ii) upon such notification, buyer must immediately elect whether or not to return the horse to consignor, and the sale of the horse shall stand if either buyer elects not to return the horse or buyer fails or refuses to timely make an election; (iii) upon its receipt of a timely election of return from buyer, Hastings Paddock Sale will notify consignor of the Positive Test and of buyer's election; (iv) upon such notification, consignor must immediately request that a confirmation test be conducted on any split sample taken from the horse and concurrently pay a non-refundable \$250 administrative fee to

Hastings Paddock Sale, and buyer shall have the right to return the horse if consignor fails or refuses to timely request and pay for a confirmation test; (v) if Hastings Paddock Sale determines that the confirmation test (if any is timely requested and paid by consignor) confirms the Positive Test, then buyer shall have the right to return the horse to consignor; and (vi) if Hastings Paddock Sale determines that the confirmation test does not confirm the Positive Test, then the sale of the horse shall stand. Any return of the horse to consignor shall be in accordance with (F) of this CONDITION. If for any reason there are no test results with respect to any sample taken, or if the results of the initial testing of a sample are determined by Hastings Paddock Sale to be not credible or to be inconclusive, then the sale of the horse shall stand. If there is a Positive Test resulting from the initial testing of a sample, but for any reason there are no test results with respect to any split sample, or if the tests results of a split sample are determined by Hastings Paddock Sale to be not credible or to be inconclusive, then the Positive Test shall stand.

(F) In the event that Hastings Paddock Sale determines that buyer has the right to return the horse to consignor: (i) consignor shall refund any sales proceeds paid to consignor by Hastings Paddock Sale and pay buyer or Hastings Paddock Sale all reasonable expenses or costs incurred by either of them in connection with, or related to or arising out of the horse, including, but not limited to, administrative fees, attorneys' fees, testing costs, veterinarian charges, vaning or other transportation costs, insurance premiums, and board and care expenses; and (ii) consignor shall promptly take possession of the horse where it is then located. Buyer shall exercise due care with respect to the horse while the horse is in buyer's possession or control. Buyer's right of return under this CONDITION shall immediately terminate if there is any material change to the horse caused by buyer, including, without limitation, any caused by buyer's failure to exercise due care or by buyer's affirmative act (such as, for example, the gelding of the horse). The remedies contained in this paragraph shall be buyer's sole and exclusive remedies and buyer will not be entitled to any incidental, special or consequential damages, nor entitled to recover any lost profits or revenues whatsoever.

(G) Any and all of Hastings Paddock Sale's determinations made in connection with or arising out of this CONDITION, including, but not limited to, whether or not there is a Positive Test or whether or not the Positive Test is confirmed by split testing (as long as same is substantially supported by the findings of the testing laboratory); whether or not a sale stands; or whether or not buyer is entitled to return the horse to consignor shall, absent fraud or bad faith of Hastings Paddock Sale, be fully binding upon consignor, buyer and all other interested parties. In the event that any party commences any arbitration or takes any other action regarding any or all of Hastings Paddock Sale's determinations, such party shall be liable for all of Hastings Paddock Sale's reasonable expenses and costs, including, without limitation, its attorneys' fees and legal or arbitration related costs or fees, absent fraud or bad faith of Hastings Paddock Sale.

**THIRTEENTH - REMEDIES FOR BREACH OF LIMITED WARRANTIES:** Any horse sold in this sale which was not, at the time of sale, as warranted as provided for in CONDITIONS EIGHTH, NINTH, TENTH, ELEVENTH or TWELFTH shall be subject to return to consignor with refund of purchase price and any taxes paid, and reimbursement by consignor for the reasonable expenses of keep, maintenance, and transportation of the horse from the fall of the hammer. The foregoing remedies of buyer shall be buyer's sole and exclusive remedies and buyer shall not be entitled to any incidental, special or consequential damages, nor entitled to recover any lost profits or revenues whatsoever; provided, however, that the remedies of buyer shall not be limited as provided in the foregoing in connection with any horse sold which, at the time of sale, was not as warranted in (A)(1) or (A)(2) of CONDITION ELEVENTH. In no event shall the Hastings Paddock Sale Released have any liability to buyer for the purchase price, taxes, expenses or any other amount paid by buyer, any lost profits or revenues, or any other damages, including, but not limited to, any incidental, special or consequential damages for any horse offered or sold.

**FOURTEENTH - ARBITRATION OF CLAIMS:** (A) Any controversy arising out of a claim arising under CONDITION EIGHTH shall be settled by arbitration between the buyer and consignor pursuant to the following procedure: Upon BCTOBA 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 BCTOBA, the buyer and the consignor shall each select a licensed

veterinarian acceptable to BCTOBA. 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 and unable to agree promptly upon a third veterinarian, BCTOBA 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 BCTOBA to arrange for the hearing and shall, by majority vote, determine the validity of the claim. BCTOBA 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. (B) Any other controversy between or among the buyer, consignor and BCTOBA arising out of a claim made under these CONDITIONS OF SALE shall be settled by arbitration. (C) Arbitration under (A) and (B) 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. BCTOBA 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 - SALES TAX:** Sales tax will be charged where applicable. Notwithstanding anything to the contrary, should any sales tax, penalty or interest (collectively the "Tax") be imposed on any purchase for any reason (including subsequently by any taxing authority), buyer will be solely responsible for and shall promptly pay the Tax and defend, indemnify and hold Hastings Paddock Sale Released harmless (including, but not limited to, all reasonable attorney's fees and costs) from or in connection with the Tax.

**SIXTEENTH - ENTIRE AGREEMENT:** These CONDITIONS, the Glossary of Definitions, Breeding Definitions and all Notices (including but not limited to "Registration and Payment Procedures" or "Change of Ownership") contained in this Catalog, Acknowledgments of Purchase, any announcement from the auction stand authorized by these CONDITIONS, and any official Hastings Paddock Sale publication shall constitute the entire agreement of consignor, buyer, and Hastings Paddock Sale, bidders, and all other interested parties with respect to the subject matter hereof and shall supersede all prior or concurrent agreements, understandings, warranties, representations and negotiations concerning the subject matter hereof, except, as between Hastings Paddock Sale and consignor, the Consignor's Contract shall remain in full force and effect. None of the terms and conditions set forth herein shall be modified or waived except in writing signed by Hastings Paddock Sale's General Manager or Vice President and the party affected thereby. Hastings Paddock Sale shall not be bound by any oral or written agreement between the buyer, consignor or anyone else purporting to modify or change these CONDITIONS, unless Hastings Paddock Sale's General Manager or Vice President so agrees in a writing expressly stating that the writing is a modification or change of these CONDITIONS. These CONDITIONS, including headings of the paragraphs hereof, shall not be interpreted against Hastings Paddock Sale. If any provision or portion of these CONDITIONS is held to be illegal or invalid, such illegality or invalidity shall not affect the remaining provisions or portions of these CONDITIONS, and they shall be continued and enforced as if such illegal or invalid provision or portion had never been inserted herein.

**SEVENTEENTH - LIMITATIONS OF ACTION:** Any action or proceeding arising out of or related to these CONDITIONS, or the purchase of a horse in this sale, whether it is based in contract, tort or equity must be commenced no later than ONE (1) YEAR after the date of the sale, regardless of when the facts giving rise to the claim are discovered, or shall be forever barred; provided, however, that such limitation shall not apply to any claim made by buyer under (A)(1) of CONDITION ELEVENTH or any action by Hastings Paddock Sale to collect or recover any payment, commission, cost or expense under these CONDITIONS or under any Consignor's Contract, or to foreclose on any lien granted in favor of Hastings Paddock Sale.