

Public Auction Sales Code of Conduct

PREAMBLE

This Sales Code of Conduct ("Code") has been adopted pursuant to a horse industry task force involving multiple segments of the horse industry. It sets out the principles which apply to Equine Auction Sales. The Code is designed to set and maintain a high standard of integrity and transparency, which will safeguard the interest of Sellers, Consignors, bloodstock agents, owners, trainers, Purchasers and sales companies in Equine Auction Sales.

DEFINITIONS

Agent means any trainer, consignor, bloodstock agent, racing or stud manager or other any other person or entity who represents a Principal, Purchaser or Seller in an Equine Auction Sale, directly or indirectly, whether the Agent is paid by way of retainer, commission or other forms of remuneration, or has ongoing financial arrangements such as training, management or similar fees.

Principal means a person or entity who appoints an Agent to act as agent on his behalf in an Equine Auction Sale.

Luck Money means any financial payment or payment in kind or delivery of anything of value (in excess of \$500) made by or on behalf of a Seller to a Purchaser or his Agent in connection with an Equine Auction Sale either before or after the Equine Auction Sale has been concluded.

Consignor means a person or entity acting as agent for a Seller at public auction.

Secret Profit means anything of value (in excess of \$500) received by an Agent in connection with an Equine Auction Sale that is not disclosed to the Agent's Principal.

Seller means a person or entity who sells all or any interest in a horse in an Equine Auction Sale.

Purchaser means a person or entity who buys all or any interest in a horse in an Equine Auction Sale.

Equine Auction Sale(s) means sales and purchases of horses and/or interest(s) therein at public auction sales.

Gender - Words importing the masculine gender herein shall include the feminine.

CODE

1. An Agent owes a duty of good faith and a duty of loyalty to his Principal, which includes a duty to act at all times in an Equine Auction Sale in accordance with his Principal's best interests.

2. An Agent shall not place himself in a position where personal interests conflict with the duties to his Principal, except with full advance written disclosure from Agent to Principal. In particular, an Agent shall not use his position to obtain a Secret Profit.

3. When an Agent acts as a Seller or intends to sell any horse in which he has an interest to a Principal, or intended principal, the Agent must disclose to his Principal, before completion of the Equine Auction Sale, the full extent of that ownership or interest and the benefit derived or to be derived by the Agent from that Equine Auction Sale.

4. If an Agent acts for more than one Principal in a transaction, which might for example be as Agent both for the Seller and Purchaser, the Agent can only do so if he has first disclosed the conflict, before completion, to all his Principals, and obtained their written consent to Agent's dual agency.
5. An Agent shall notify his Principal, wherever possible in advance, when a conflict of interest may arise, such as transactions involving third parties with whom he has a retainer, transactions where he is aware he will benefit from a third party, or transaction concerning a horse which he has previously purchased or with which he has previously been involved.
6. An Agent shall disclose to his Principal and, if required by the Principal, account to his Principal for any Luck Money paid to him by or on behalf of a Seller, Consignor or Purchaser.
7. A Seller or Agent shall not offer any Secret Profit to any person whom he believes to be an Agent acting for a prospective purchaser.
8. An Agent shall not bid at public auction on any horse for which Agent knows his Principal intends to bid, or on any horse for which his Principal is a Seller, except upon full knowledge and consent of his Principal.
9. This Code shall not be deemed to enlarge or restrict application of laws that govern matters relating to parties involved in Equine Auctions Sales.

ENFORCEMENT

Except as otherwise provided in these Conditions of Sale, any alleged breach of the Code shall be settled by arbitration in accordance with the rules of the American Arbitration Association ("AAA"). A complainant of an alleged breach shall provide evidence in the form of a written statement to the sales company where the alleged breach occurred. If, after discussions among the interested parties, they are unable to resolve the alleged breach in a manner suitable to them, the complainant may initiate arbitration. Arbitration shall be held in Marion County, FL. The findings and decisions of the arbitrator(s) shall be final and binding upon the parties, but shall not preclude the parties from pursuing any action for monetary damages or other legal relief through the legal court system. Other sales companies have agreed to observe the findings and sanctions of the arbitrator(s) and to ban from participation in their respective public auctions, for the period of time determined by arbitrator(s), any person found to have violated the Code. Judgment upon the decision of the arbitrator(s) may be entered by any court of competent jurisdiction. The prevailing party in the arbitration proceeding shall be entitled to recover his costs and expenses, including reasonable attorneys' fees, from the non-prevailing party. In the event of a finding of an offense by the arbitrator, the sales' companies shall post, in a conspicuous manner during the period of exclusion, the name of the party sanctioned and the sanction determined by the arbitrator.

SANCTIONS

In the event a violation of the Code is found to have occurred, the following sanctions may be imposed by the arbitrator(s): (a) First offense – Exclusion from participation in sales or from sales grounds ("Exclusion") for a period of up to two (2) years from the date of the finding; (b) Second offense – Exclusion for up to five (5) years; and (c) Third or more offense – Up to a permanent Exclusion. Exclusion periods shall be served during such times as the arbitrator(s) imposes.

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 these Conditions of Sale and by all announcements from the auctioneer's stand and the laws of the State of Florida, exclusive. **ALL SELLERS, CONSIGNORS, AGENTS, OWNERS, PROSPECTIVE BIDDERS/ PURCHASERS, WHETHER PARTICIPATING VIA ANY BIDDING MEDIUM (IN-PERSON, BY TELEPHONE, BY PROXY-AGENT, BY WRITTEN OR TELEPHONE ABSENTEE BID OR VIA THE INTERNET), ALL OTHER INTERESTED PARTIES AND ALL SALES VIA ANY BIDDING PROCESS ARE THEREFORE BOUND BY THEIR PARTICIPATION IN THE SALES PROCESS AND SUBJECT TO THE PROVISIONS OF THE CONDITIONS OF SALE AND ANNOUNCEMENTS.** Venue and jurisdiction for all legal proceedings arising out of the sale and purchase of any horse sold by Ocala Breeders' Sales Company Inc. 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 Ocala Breeders' Sales Company Inc. or the auctioneer (hereinafter collectively "OBS") is a party shall be solely and exclusively in Marion County, Florida.

THE SELLER, CONSIGNOR, PURCHASER AND OBS AND THEIR RESPECTIVE AGENTS, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT THAT THEY MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION ARISING FROM OR CONNECTED WITH THIS SALE OR ANY REPRESENTATIONS, STATEMENTS OR ACTIONS OF THE PARTIES RELATIVE TO ANY HORSE(S) OR CONDUCT.

THERE IS NO WARRANTY EXPRESS OR IMPLIED BY THE OBS, SELLER, OR CONSIGNOR, AS TO ANY CONDITION 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 EXCEPT AS SET FORTH IN CONDITIONS SEVENTH THROUGH THIRTEENTH BELOW.

All prospective Purchasers are urged to **carefully examine any horse(s)** (personally and/or by agents or veterinarians of their choosing) and any information in the Repository (personally and/or by veterinarians of their choosing) for such horse(s), in which they may be interested **BEFORE bidding**, and as required by CONDITION THIRTEENTH, as they are accepting any horse(s) purchased with all faults, including all conditions and defects, except for applicable limited warranties as set out in CONDITIONS SEVENTH through THIRTEENTH.

Code of Conduct: The Code of Conduct governing participants in the sale is set forth in this sales catalogue directly in front of these Conditions of Sale, and is hereby incorporated by reference and made a part of these Conditions of Sale.

DEFINITIONS:

1. Agent: An Agent is a person or entity who represents a Principal in an OBS Auction Sale, directly or indirectly, whether the Agent is paid by way of retainer, commission or other forms of remuneration, or has ongoing financial arrangements such as training, management or similar fees.
2. Consignor: Consignor means a person or entity who is a Seller or acting as an Agent for a Seller of a horse or horses at an OBS Auction Sale.

3. Fall of the Hammer: Fall of the Hammer means when the auctioneer recognizes the final accepted bid for the horse(s) during an OBS Auction Sale.
4. OBS Auction Sale: OBS Auction Sale means any sale conducted by or through Ocala Breeders' Sales Company, Inc., either by way of auction via any bidding process or privately.
5. Principal: Principal means a person or entity who appoints an Agent to act as an agent on his/her/its behalf in an OBS Auction Sale.
6. Purchaser: Purchaser means a person or entity that buys all or any interest in a horse in an OBS Auction Sale.
7. Repository: Repository means a location where information that has been collected relative to horses which are to be sold in an OBS Auction Sale is stored. The information may be maintained both on site (at the OBS sales grounds) and online. It will be accessible by licensed veterinarians on behalf of their customers by obtaining permission from the designated representatives of OBS. Access to a Consignor's Repository information may be denied to non-veterinarians.
8. Seller: Seller means the owner or owners who sell or sells all or any interest in a horse in an OBS Auction Sale.

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 in an OBS Auction sale. If an opening bid of the upset price is not forthcoming to the auctioneer's call or the online platform, the horse shall be considered unsold. Minimum acceptable increases in bidding are determined at the sole discretion of OBS. Bidders may participate in a sale by bidding in person, online through OBS's online bidding platform or by telephone, subject to approval by OBS in its sole and absolute discretion. To bid online or by telephone, Bidders must register for approval at least 24 hours before the start of the sale. Any bidder who places a bid online or by telephone expressly acknowledges and agrees as follows: (1) online and telephone bidding relies upon technology that may malfunction without warning and through no fault of OBS; (2) online and telephone bidding is being provided on an "AS AVAILABLE" and "AS IS" basis and OBS does not guarantee continual, uninterrupted or error free online or telephone bidding; and (3) OBS shall be absolved from any and all liability related to or arising from any interruption in service, errors and/or omissions with respect to online or telephone bidding and each bidder or Purchaser who places an online or telephone bid shall hold OBS harmless from any loss or claim resulting therefrom.

The highest bidder shall be the Purchaser and shall sign the Acknowledgment of Purchase when presented with it. The right of purchase of a successful bidder is not impaired in the case of signing the Acknowledgment of Purchase by an Agent, provided that such bidder acts in accordance with these Conditions of Sale. The right to bid is reserved for all Consignors unless otherwise announced

THIRD - BIDDING PROCESS AND DISPUTES: Should any dispute arise between two or more bidders, the auctioneer shall forthwith adjudicate the dispute, and auctioneer's 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 OBS 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 the bid which was disputed. The auctioneer reserves the right to reject any or all bids. In the event of a technology issue of any type (including, but not limited to, malfunctions affecting or resulting in a temporary delay or inability to use online bidding platforms, computers, telephones, servers, or any similar technological equipment or software), OBS reserves the right, exercisable in its sole and absolute discretion, to temporarily suspend bidding, extend the relevant bidding period, cancel the sale, reoffer the horse affected for sale, or continue with the sale for bidders participating in the sale.

MISSED RESERVES: OBS shall use its best efforts to adhere to reserves properly and timely placed with OBS, in accordance with time limits and other requirements established by OBS. In the event a horse is sold to a Purchaser for less than the reserve, liability incurred by OBS shall be limited to paying the Consignor an amount not to exceed the reserve less the commission charged on the sale. In the event a horse is offered for sale with a reserve higher than that placed by the Consignor (including, without limitation, a reserve placed on a horse when none was directed by the Consignor), the horse if not sold to a Purchaser, at the option of Consignor, shall be brought back in the ring to be offered for sale. Seller, Consignor and OBS agree that OBS shall waive all of its commission, including any entry fees paid, as liquidated damages if the horse is not sold and neither party shall have any other rights, claims or obligations to the other arising out of the reserve error.

FOURTH - TITLE, RISK AND DELIVERY: TITLE PASSES TO THE PURCHASER AT THE FALL OF THE AUCTIONEER'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 after the Fall of the Hammer. Seller, Consignor and Purchaser agree to release, defend, indemnify and hold OBS, and the owners and/or operators of the facilities at which the horse is located at time of sale and their directors, officers, employees, agents and representatives, harmless from all losses, damages, expenses, claims, causes of action or attorneys' fees arising out of or related to the possession, care, custody, control or maintenance of any horse either sold or purchased by them, including but not limited to any claims 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 OBS or any of its directors, officers, employees, agents or representatives.

Solely as an accommodation to Purchaser, physical possession of each purchased horse may 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 FORTY-EIGHT (48) HOURS OR FOR THE TIME SPECIFIED FOR AN ONLINE SALE AFTER THE FALL OF THE HAMMER. Delivery of the horse will be by means of a "stable release" that will be provided by OBS upon settlement, which release shall be presented to OBS's designee in order to allow removal of the horse from the sales grounds or its location at the time of the online sale. Upon taking physical possession, Purchaser shall cause horse(s) to be removed promptly, or Purchaser shall be subject to stable charges or any other charges incurred by OBS as determined by OBS. In addition, should Purchaser fail to cause the horse(s) to be removed promptly, OBS, or any of its directors, officers, employees, agents, representatives or any other persons at the direction of OBS, may cause the horse(s) to be moved, for any reason, from one location to another, including the removal and boarding of the horse(s) to a location determined by OBS at its sole discretion, at Purchaser's sole risk and expense. OBS shall not be liable in any way for any injury or damage to the horse(s) or any third person as a result of such care, handling or movement of said horse(s) due to its own negligence, active or passive, or the negligence of third persons.

FIFTH - TERMS FOR CREDIT AND SETTLEMENT: Unless credit shall have been approved in advance by OBS, Purchaser shall make settlement immediately upon request by OBS, but in no event later than Purchaser taking possession of said horse(s) or thirty (30) minutes after the conclusion of the sales session in which the horse(s) is sold, for the full purchase price, including sales tax, if applicable. Such settlement shall be in U.S. funds in the form of U.S. currency, or an approved bank check, certified check, or cashier's check. **BIDDERS AND OTHER PERSONS SIGNING FOR OR BUYING ON BEHALF OF OR IN THE NAME OF A CORPORATION, LIMITED LIABILITY COMPANY, PARTNERSHIP, TRUST OR OTHER ENTITY (INCLUDING PURCHASES THROUGH AN AUTHORIZED AGENT) AGREE TO BE PERSONALLY RESPONSIBLE FOR PAYMENT OF ALL SUMS OWED TO OBS. ALL CREDIT MUST BE SPECIFICALLY APPROVED FOR THIS SALE PRIOR TO BIDDING; APPROVAL OF CREDIT FOR PRIOR OBS SALES DOES NOT ESTABLISH CREDIT FOR PURCHASES AT THIS SALE. PURCHASERS TO WHOM CREDIT IS EXTENDED SHALL PAY FOR THEIR PURCHASES WITHIN FIFTEEN (15) DAYS FROM THE DATE OF PURCHASE, FAILING WHICH OBS MAY, AT ITS SOLE AND ABSOLUTE DISCRETION, DECLARE PURCHASER IN DEFAULT. ANY UNPAID BALANCE SHALL BE SUBJECT TO A FINANCE CHARGE OF ONE AND ONE-HALF (1 1/2%) PERCENT PER MONTH (18% PER ANNUM) FROM THE DATE OF PURCHASE. ALL PAYMENTS SHALL BE MADE ONLY TO OBS; PAYMENT MADE TO ANY OTHER PERSON, INCLUDING THE SELLER OR HIS REPRESENTATIVE, SHALL NOT CONSTITUTE PAYMENT.** The failure of OBS to obtain advance credit approval shall not be a defense to any claim made by OBS.

Any Purchaser who has purchased a horse grants to OBS a "security interest" and grants to OBS all rights and privileges of a secured creditor under Florida law including the right of peaceful repossession in all horses purchased and their Jockey Club Certificate(s) of registration (including without limitation digital certificate(s)) and any products, offspring, proceeds and any applicable stallion service certificate thereof to secure payment of any outstanding sums owed to OBS or its affiliates on any and all of the Purchaser's accounts. OBS may, in its sole and exclusive discretion, elect to make full or partial settlement with the Consignor despite a default by Purchaser. Any such election(s) by OBS to pay the Consignor shall not constitute a waiver, nor establish a custom, and shall not abrogate OBS's right to withhold settlement from Consignor and in any other case where the Purchaser has defaulted.

SIXTH - DEFAULT: Any Purchaser who fails to sign an Acknowledgment of Purchase when required to do so, or fails in any respect whatsoever to comply with **CONDITION FOURTH AND FIFTH** above, shall be in default. Any person in default shall immediately become liable to OBS for the full amount of the purchase price of all horses purchased, applicable sales tax, and any costs incurred by OBS in the collection thereof, including reasonable attorney's fees. Although it shall not be obligated to do so, OBS shall have the right to resell any horse in default at public or private sale selected by OBS 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 resale shall be credited to the defaulter's account, with the defaulter being liable for any deficiency.

SEVENTH - LIMITATIONS OF WARRANTIES: UNLESS OTHERWISE ANNOUNCED BY THE SALES COMPANY AT TIME OF SALE, OR PROVIDED FOR HEREIN, THERE IS NO GUARANTEE OF ANY KIND AS TO THE SOUNDNESS OR CONDITION OR OTHER QUALITY OF ANY HORSE SOLD IN THIS SALE EXCEPT THAT:

(1) **The following conditions of a horse must be so announced at time of sale or be subject to return as provided for in **CONDITION NINTH** below:** (a) any horse that is either a cribber

(aerophagia); or (b) any horse that is a gelding or is sold in this sale after July 1 of his yearling year and is a cryptorchid (ridgling). A cryptorchid (ridgling) is defined as a colt which does not have both testes palpable in their entirety below the external inguinal ring. The surgical removal of one or both testicles must be announced; (c) any horse described at time of sale as a filly or mare and has at such time been spayed; (d) any horse that has raced or is being sold as a racing prospect that is currently on the starter's, steward's or veterinarian's list in any racing jurisdiction.

(2) The following conditions of a horse must be so disclosed by placing a Veterinary Certificate in the Repository (see CONDITION THIRTEENTH) on a timely basis as required by OBS, reasonably disclosing that one or more of the following conditions are applicable OR in lieu thereof must be so announced at time of sale or be subject to return as provided for in CONDITION NINTH below: any horse that; (a) possesses any deviation from the norm in the eyes that impairs vision; (b) is two years of age or less, or is being sold as an unraced racing prospect and has undergone invasive joint surgery and/or surgical intervention of the upper respiratory tract; (c) has undergone abdominal surgery of any type that occurred in the last two (2) calendar years preceding the day of sale or any resection of an abdominal organ (partial or complete) at any time except to repair a ruptured bladder in a newborn foal; or (d) has been nerved (neurectomy) excluding horses sold for breeding purposes only; with regard to conditions (b), (c), and (d) above these apply only if the Seller or Consignor knew or should have known of the surgical procedures.

(3) any horse sold after July 1 of its yearling year and is being sold as an unraced racing prospect which on endoscopic examination is found to have: (a) epiglottic entrapment; (b) laryngeal hemiplegia (complete immobility or inability to fully abduct the arytenoid cartilage); (c) severe arytenoid chondritis or chondroma; (d) sub- epiglottic cyst; (e) permanent dorsal displacement of the soft palate; (f) rostral displacement of the palatopharyngeal arch; (g) cleft palate; (h) any other anatomical and/or functional lesion which obstructs air flow; shall be subject to return to Consignor as provided for in CONDITION NINTH below. For the purpose of this condition, a lesion is defined as any pathological or traumatic discontinuity of tissue or loss of function of a part. A horse shall not be returnable for any other physical or performance respiratory problem including but not limited to: (a) laryngeal hemiparesis with complete (full) abductor function; (b) intermittent dorsal displacement of the soft palate.

(4) Any horse which is afflicted with "wobbler syndrome" (defined as a horse which suffers from a neurological disease caused by compression of the spinal cord and resulting in lack of balance and coordination) is subject to return to Consignor as provided for in CONDITION NINTH below.

(5) Any horse diagnosed with acute laminitis within forty-eight (48) hours from the fall of the hammer and prior to removal from the sales grounds or its location at the time of the online sale, shall be subject to return to Consignor as provided for in CONDITION NINTH below.

Any horse that has been subject to any of the following prohibited practices shall be subject to return to Consignor as provided for in CONDITION NINTH below: (a) extra corporeal shockwave therapy or radial pulse wave therapy, in any form, while on the sales grounds or during the time a horse is offered in an online sale; (b) acupuncture and /or electro stimulation with the intent or effect of altering laryngeal function of a horse while on the sales grounds or during the time a horse is offered in an online sale; (c) internal blister or other injections behind the knee, which are intended to or which have the effect of concealing the true conformation of a horse; (d) the use of any electrical device designed or used to increase the speed of a horse while on the sales grounds or during the time a horse is offered in an online sale; (e) any invasive practice which intentionally conceals a material defect or chronic lameness; (f) Intra-articular injections on the sales grounds and/or within fourteen (14) days of the sale. **ANY**

OTHER CONDITION, DEFECT, DAMAGE, IMPAIRMENT OR LIMITATION WHATSOEVER NOT SPECIFICALLY LISTED HEREIN IS EXPRESSLY NOT WARRANTED OR SUBJECT TO RIGHT OF RETURN.

Consignor shall have the sole responsibility concerning the accuracy of the disclosure and announcements of the condition of any horse as aforesaid and required above, and both Consignor and Purchaser agree that OBS is absolved from any liability relating to such announcements/disclosures and both agree to hold OBS harmless from any loss incurred relating to such matters. Consignor and Purchaser further agree that OBS is absolved from any liability relating to Prohibited Practices and both agree to hold OBS harmless from any loss incurred with respect to Prohibited Practices.

EIGHTH - BROODMARES, BROODMARE PROSPECTS, STALLIONS, STALLION PROSPECTS: IN THE CASE OF BROODMARES, BROODMARE PROSPECTS, STALLIONS AND STALLION PROSPECTS THERE IS NO GUARANTEE AS TO SOUNDNESS OF WIND, BONE, OR LAMINITIS WHETHER OR NOT SUCH CONDITION HAS BEEN THE SUBJECT OF MEDICAL TREATMENT OR SURGICAL INTERVENTION.

Each broodmare or broodmare prospect in this sale will be offered with a veterinary certificate provided by Consignor and satisfactory to OBS showing her to be either; (a) pregnant, in the opinion of the examining veterinarian, based on appropriate examination within ten (10) days prior to date of sale; or (b) not pregnant, but suitable for mating in the opinion of the examining veterinarian, based on appropriate examination within ten (10) days prior to date of sale; or (c) not as described in either (a) or (b) above and therefore requiring a special announcement. **ANY PURCHASER OF A BROODMARE OR BROODMARE PROSPECT MAY HAVE HER EXAMINED BY A VETERINARIAN WITHIN TWENTY-FOUR (24) HOURS AFTER THE FALL OF THE HAMMER AND PRIOR TO REMOVAL FROM THE SALES GROUNDS OR ITS LOCATION AT THE TIME OF THE ONLINE SALE.** Any broodmare or broodmare prospect so examined whose pregnancy status and/or suitability for mating is found not to be as represented at the time of sale shall be subject to return to Consignor as provided for in CONDITION NINTH below. **There is no guarantee as to breeding soundness of any filly or mare unless such horse be specifically designated as a broodmare prospect. ANY HORSE WHICH HAS UNDERGONE ANY OF THE FOLLOWING REPRODUCTIVE SURGERIES WITHIN TWO YEARS OF THE DATE OF THE SALE IF THE SELLER OR CONSIGNOR KNEW OR SHOULD HAVE KNOWN OF THE SURGICAL PROCEDURES MUST BE SO ANNOUNCED OR BE SUBJECT TO RETURN AS PROVIDED FOR IN CONDITION NINTH BELOW:** (a) C-Section delivering of a fetus; (b) Surgery involving the cervix; (c) Removal of an ovary; (d) Urethral extension.

NINTH - RIGHT OF RETURN: Any horse sold in this sale whose condition must be announced or disclosed via the repository, and is not so announced or disclosed via the repository, or is warranted as provided for in CONDITION SEVENTH AND EIGHTH above, shall be subject to return to Consignor with a full refund of the purchase price; provided, however, as a condition precedent to such right of return the Purchaser must have fully complied with the provisions of this paragraph. Consignor may retain possession at the sales grounds or its location at the time of the online sale of each horse sold for a period of up to forty- eight (48) hours or for the time specified for an online sale after the fall of the hammer solely as an accommodation to the Purchaser, during which time Purchaser shall have the opportunity to inspect and examine, by veterinarian or otherwise, each horse he has purchased. **IMMEDIATELY UPON LEARNING OF ANY CONDITION OR PROHIBITED PRACTICE EXISTING AT THE FALL OF THE HAMMER WHICH WOULD ENTITLE PURCHASER TO A RIGHT OF RETURN, PURCHASER SHALL NOTIFY OBS, IN WRITING, OF SUCH CONDITION. SUCH NOTIFICATION MUST BE**

ACCOMPANIED BY A VETERINARY CERTIFICATE ATTESTING TO THE CONDITION, AND SUCH NOTICE AND CERTIFICATE MUST BE DELIVERED TO OBS WITHIN FORTY-EIGHT (48) HOURS OR FOR THE TIME SPECIFIED FOR AN ONLINE SALE FROM THE FALL OF THE HAMMER except for any horse that is a cribber (aerophagia), or is afflicted with wobbler syndrome, in which case the time period of notification shall be seven (7) days from the fall of the hammer. In the case of (a) any horse that has undergone abdominal surgery, (b) is two years of age or less, or is being sold as an unraced racing prospect and has undergone invasive joint surgery and/or surgical intervention of the upper respiratory tract, (c) broodmares that have undergone; (i) C-Section delivering of a fetus; (ii) Surgery involving the cervix; (iii) Removal of an ovary; (iv) Urethral extension within two years of the date of the sale, (d) any horse that has raced or is being sold as a racing prospect that is currently on the starter's, steward's or veterinarian's list in any racing jurisdiction, or (e) has been nerved, the time period for notification shall be fourteen (14) days. In addition, except for any horse that is a cribber (aerophagia), has undergone abdominal surgery, has undergone invasive joint surgery or surgical intervention of the upper respiratory tract, any horse that has raced or is being sold as a racing prospect that is currently on the starter's, steward's or veterinarian's list in any racing jurisdiction, afflicted with wobbler syndrome, has been nerved or broodmare surgeries described in this section all rights of return shall terminate and any sale shall be ratified and made final upon Purchaser taking physical possession of the purchased horse or the horse is removed from the sales grounds or its location at the time of the online sale. All warranties of any horse of racing age shall terminate immediately when such horse starts in a race regardless of any notice period set forth herein. Further, any use of any horse of racing age "under tack" or "ponying" by Purchaser or his representative after learning of any condition of such horse which would permit its return to Consignor as provided herein, shall void all right of return, ratify, and make final the sale of such horse. UPON REQUEST FOR RETURN AS PROVIDED ABOVE, THE CONSIGNOR HAS THE RIGHT TO SEEK THE OPINION OF A SECOND VETERINARIAN. IN THE EVENT SAID CLAIM REMAINS UNRESOLVED DUE TO A CONFLICT OF FIRST AND SECOND VETERINARY OPINIONS, SAID CLAIM SHALL BE SETTLED BY BINDING VETERINARY ARBITRATION AS PROVIDED FOR IN CONDITION TENTH BELOW.

If it has been determined that the Purchaser has the right of return pursuant to this Condition, the risk of loss shall remain with the Purchaser from the fall of the hammer until the Consignor has been notified of the Purchaser's election to rescind the sale, at which time the risk of loss passes back to Consignor and/or Seller. The Purchaser shall return the horse in the same condition as when received and shall be required to exercise due care in maintaining and boarding the horse until returned to Consignor or Seller. The Right of Return as provided in this paragraph shall be Purchaser's sole remedy. OBS shall not be liable for consequential damages.

TENTH - BINDING VETERINARY ARBITRATION: A PANEL OF THREE (3) VETERINARIANS, SPECIALIZING IN EQUINE MEDICINE, SHALL BE SELECTED TO EVALUATE AND RESOLVE ANY CLAIM MADE BY OR ON BEHALF OF PURCHASER UNDER THE PROVISIONS OF CONDITIONS SEVENTH, EIGHTH AND THIRTEENTH. THE MAJORITY OPINION OF THE PANEL SHALL BE ACCEPTED AS FINAL, BINDING AND CONCLUSIVE BY PURCHASER, CONSIGNOR AND SELLER AND SHALL NOT BE SUBJECT TO ANY FURTHER REVIEW. OBS SHALL PROVIDE A LIST OF NOT LESS THAN FIVE (5) VETERINARIANS FROM WHICH THE PANEL WILL BE SELECTED. PURCHASER OR HIS/HER/ITS VETERINARIAN SHALL HAVE THE RIGHT TO STRIKE FROM THAT PANEL THE VETERINARIAN THEY DEEM MOST UNACCEPTABLE TO THEM, AND CONSIGNOR OR HIS/HER/ITS VETERINARIAN SHALL HAVE THE SECOND STRIKE. FROM THE REMAINING VETERINARIANS ON THE PANEL, THE PARTIES SHALL ALTERNATE STRIKING VETERINARIANS THAT THEY CHOOSE UNACCEPTABLE UNTIL ONLY THREE REMAIN. THIS SHALL CONSTITUTE THE MEMBERS OF THE BINDING VETERINARIAN

ARBITRATION PANEL. RULES OF TIMING AND PRESENTATION OF EVIDENCE, SHALL BE DETERMINED BY THE PANEL, BUT SHALL BE APPLICABLE TO PURCHASER, CONSIGNOR, AND SELLER. THE PURCHASER, CONSIGNOR, AND SELLER ACKNOWLEDGE THAT THE SELECTION PROCESS IS FAIR AND REASONABLE, AND MEETS ALL DUE PROCESS REQUIREMENTS AS TO EACH OF THEM. A Panel fee of \$1,500 plus any additional expenses of the panel shall be the responsibility of the non-prevailing party. Consignor shall be solely responsible for expenses incurred by him, including his veterinarian, and Purchaser shall be solely responsible for expenses incurred by him, including his veterinarian, **except as set forth in CONDITION THIRTEENTH (Repository)**

ELEVENTH - UNDISCLOSED MEDICATIONS: In accordance with Florida Statutes, Chapter 535.08, all medication administered to a horse within seventy-two (72) hours of an under tack performance or beginning of its sales session must be reported the earlier of twelve (12) hours after treatment or one (1) hour prior to an under tack performance or its sales session. The reports must be signed by a Florida licensed veterinarian and submitted to the OBS main office or the Repository. The reports must identify the medication and the amount, strength and mode of administration; the date and time of administration; and the diagnosis and/or reason for treatment. The Consignor agrees that OBS has the right, in its sole discretion to conduct any tests including but not limited to blood, hair and urine upon any horse entered by Consignor and/or Seller in this sale. Additionally, any Purchaser may request a blood sample from any thoroughbred horse purchased by him at a licensed thoroughbred horse sale held at OBS for the purpose of determining if the horse has been administered an undisclosed medication in violation of Condition ELEVENTH. the Purchaser must check the appropriate box at the time of signing the Acknowledgment of Purchase and Security Agreement for the subject horse or before taking physical possession of the horse and within twenty-four (24) hours of the time of sale directing that OBS have a blood sample taken. The Purchaser agrees to pay \$500 per test to OBS to cover direct costs and administrative expenses in regards to testing the blood sample. OBS will arrange for the blood sample to be taken by a veterinarian prior to the horse leaving the sales grounds. If a blood sample reveals the presence of an undisclosed medication (Positive Test), the Consignor may request a confirmation test at Consignor's expense to be conducted at a laboratory selected by OBS, if the request is made by the Consignor within twenty-four (24) hours of notification by OBS of the Positive Test. If the confirmation test does not confirm the Positive Test, the sale shall stand. If the Consignor does not request a confirmation test, or the confirmation test confirms the Positive Test the Purchaser shall have the right to rescind the sale by giving notice to OBS within 24 hours of Purchaser's receipt of the results indicating a Positive Test and Consignor will be subject to the penalties outlined in the OBS Policies for Medications and Prohibited Practices. In the event that Purchaser elects to rescind the sale, Consignor shall refund any sales proceeds paid to Consignor by OBS and pay the Purchaser or OBS all reasonable expenses and legal fees incurred by either of them from the time of the sale until the return of the horse to the Consignor or Seller. Reasonable expenses include, but are not limited to such items as the \$500 testing fee, the confirmation testing fee, veterinarian charges, vanning, insurance and boarding. In the event of a confirmed Positive Test, the risk of loss shall remain with the Purchaser from the fall of the hammer until the Consignor has been notified of the Purchaser's election to rescind the sale, at which time the risk of loss passes back to Consignor or Seller. The Purchaser shall return the horse in the same condition as when received and shall be required to exercise due care in maintaining and boarding the horse until returned to Consignor or Seller. OBS will provide written notification to Consignor and Purchaser of the test results as soon as practicable after receipt thereof. The test(s) herein provided for shall be the sole support for any claims by Purchaser for breach of the limited warranty provided in this condition. OBS's determination concerning whether there is a Positive Test, as long as same is supported by the testing laboratory selected by OBS, shall, absent fraud or bad

faith, be fully binding upon Consignor, Purchaser, and all other interested parties. If any party challenges OBS's exercise of discretion, absent fraud or bad faith, such party shall be liable for all OBS's reasonable expenses, including, without limitation, its attorneys' fees incurred in defending the challenge.

TWELFTH - NSAIDS, CORTICOSTEROIDS, PROHIBITED SUBSTANCES: Medications may only be administered at or below manufacturers recommended dosages. **NO MEDICATION MAY BE ADMINISTERED WITHIN 24 HOURS OF A HORSE'S UNDER TACK PERFORMANCE.** In addition, the following rules apply:

1. NSAIDS;

- a. Phenylbutazone, Flunixin and Ketoprofen are the only allowable NSAIDS. Only one (1) of these may be present in a test sample; stacking of NSAIDS is prohibited.
- b. No NSAIDS may be administered within 48 hours of a horse's under tack performance or after 6:00 PM the day prior to a horse's sales session
- c. LIMITED EXCEPTION: A second NSAID may be used only to accommodate an emergency health or medical need of a horse, but only if the second NSAID is disclosed and documented by a licensed veterinarian stating the type of NSAID, dosage given, date and time of administration and an explanation of the medical need for the use. The statement must be submitted to OBS no later than one hour before the start of the sales session in which the horse is being offered for sale. In the event a disclosure statement is filed within two (2) hours and/or 100 hips of the horse selling, OBS may, in its sole discretion, require the administration to be announced from the stand

2. Corticosteroids;

- a. No more than one (1) corticosteroid may be present in a test sample.
- b. No Corticosteroids may be administered within 48 hours of a horse's under tack performance or within 24 hours of a horse's sales session.

3. Prohibited Substances—the following medications are prohibited and may not be administered on the sales grounds or present in a test sample;

- a. All substances classified as either Class 1 or Class 2 by the Association of Racing Commissioners International (ARCI).
- b. Anabolic Androgenic Steroids
- c. Bronchodilators (Clenbuterol, Albuterol, and all other bronchodilators) **Exception:** The administration of a bronchodilator (including without limitation Clenbuterol) for valid, on-label use prior to July 1 of a horse's yearling year is permitted but must be disclosed in the Repository with a note of explanation from the treating veterinarian.
- d. Bisphosphonates
- e. Procaine Penicillin
- f. Furosemide (Salix) (except for horses that have raced on Furosemide)
- g. Medroxyprogesterone
- h. Antihistamines (2yo's only)
- i. Guanabenz
- j. Drugs or medications for which no acceptable threshold has been established
- k. Any substances banned by The Horseracing Integrity and Safety Act (HISA).

For positive findings in which the identified substance is a substance of human use or abuse, the determination of whether the positive test constitutes a violation of the Conditions of Sale shall be made by OBS in its sole discretion following any investigation it deems fit.

The Consignor agrees that OBS has the right, in its sole discretion to conduct any tests including but not limited to blood, hair and urine upon any horse entered by Consignor and/or Seller in this sale. Additionally, any Purchaser may request a blood sample from any thoroughbred horse purchased by him at a licensed thoroughbred horse sale for the purpose of determining if the horse has been administered any medication in violation of Condition TWELFTH (Positive Test). The Purchaser must check the appropriate box at the time of signing the Acknowledgment of Purchase and Security Agreement for the subject horse directing that OBS have a blood sample taken. The Purchaser agrees to pay \$500 per test to OBS to cover direct costs and administrative expenses in regards to testing the blood sample. OBS will arrange for the blood sample to be taken by a veterinarian prior to the horse leaving the sales grounds. If a blood sample is reported as a Positive Test by the testing laboratory, the Consignor may request a confirmation test at Consignor's expense to be conducted at a laboratory selected by OBS, if the request is made by the Consignor within twenty-four (24) hours of notification by OBS of the Positive Test. If the confirmation test does not confirm the Positive Test, the sale shall stand. If the Consignor does not request a confirmation test, or the confirmation test confirms the Positive Test, the Purchaser shall have the right to rescind the sale by giving notice to OBS within 24 hours of Purchaser's receipt of the results indicating a Positive Test and Consignor will be subject to the penalties outlined in the OBS Policies for Medications and Prohibited Practices. In the event Purchaser elects to rescind the sale, Consignor shall refund any sales proceeds paid to Consignor by OBS and pay the Purchaser or OBS all reasonable expenses and legal fees incurred by either of them from the time of the sale until the return of the horse to the Consignor or Seller. Reasonable expenses include, but are not limited to such items as the \$500 testing fee(s), veterinarian charges, vaning, insurance and boarding. In the event of a Positive Test, the risk of loss shall remain with the Purchaser from the fall of the hammer until the Consignor has been notified of the Purchaser's election to rescind the sale at which time the risk of loss passes back to Consignor and/or Seller. The Purchaser shall return the horse in the same condition as when received and shall be required to exercise due care in maintaining and boarding the horse until returned to Consignor or Seller. OBS will provide written notification to Consignor and Purchaser of the test results as soon as practicable after receipt thereof. The test(s) herein provided for shall be the sole support for any claims by Purchaser for breach of the limited warranty provided in this condition. OBS's determination concerning whether there is a Positive Test, as long as same is supported by the testing laboratory selected by the OBS, shall, absent fraud or bad faith, be fully binding upon Consignor, Purchaser, and all other interested parties. If any party challenges OBS's exercise of discretion, absent fraud or bad faith, such party shall be liable for all OBS's reasonable expenses, including, without limitation, its attorneys' fees incurred in defending the challenge.

The OBS Medication Policy is in addition to the rights of the Purchaser, Consignor or Seller as set forth in the Florida Statutes, Title XXXIII, Chapter 535.01-535.14 and is not intended to replace or otherwise affect Florida law.

THIRTEENTH - REPOSITORY: All Purchasers shall inspect fully each horse that they may purchase. As provided in the Conditions of Sale and otherwise, Purchasers are accepting any horse purchased with all defects except those conditions and defects specifically warranted by OBS Conditions of Sale. Purchasers that fail or refuse to inspect for any reason, including a lack of opportunity for inspection, purchase the horse at their own risk.

It shall be the sole responsibility of the Purchaser to determine the sufficiency, quality and completeness of the available inspection; however, full inspection shall include a review of all Repository information for each horse. Repository information shall include without limitation all radiographs placed in the Repository, all information placed by Consignor in

the Repository, and all Veterinary Radiographic Reports, as defined below.

All Purchasers acknowledge that (a) any veterinary radiographic report which purports to describe or summarize what is reflected in the radiographs of a horse ("Veterinary Radiographic Report") may contain and/or be based upon subjective determinations; and (b) such written reports are not a substitute for or the equivalent of a review of the actual radiographs. Veterinary Radiographic Reports, as addressed in this Condition, shall exclude any upper respiratory laryngoscopic evaluation or analysis of said evaluation. OBS will NOT review the Repository information and makes no warranty or assurance of any kind concerning the authenticity, sufficiency, quality, completeness or accuracy of the Repository information, all of which shall be the responsibility of the Consignor. Knowledge of the Repository information therefore shall not be imputed to OBS.

Purchasers will be charged with knowledge of any defect that is or should be revealed by a reasonable inspection, including any defect that is or should be revealed by a review of the Repository information, with the exception of the limited warranties which require an announcement per CONDITION SEVENTH (cribbers, ridglings, geldings, spayed fillies or mares, horses on a starter's, steward's or veterinarian's list in any racing jurisdiction) and CONDITION EIGHTH (reproductive surgeries.) Those limited warranties remain effective as more fully provided for and stated in CONDITIONS SEVENTH and EIGHTH, unless Announcement is made by the auctioneer in conjunction with the sale of the horse in question. **The presence or use of the Repository shall not change any of these Conditions of Sale, which shall continue to be binding upon all parties, nor does it create any additional express or implied warranties.**

In the event Consignor elects to place information in the Repository for any sale conducted by OBS, Consignor warrants that Consignor has deposited in the Repository all of the required views mandated by OBS and a Veterinary Radiographic Report describing/summarizing the views. Consignor further warrants the authenticity and validity of the views. Consignor agrees not to use or distribute any Veterinary Radiographic Report other than that on file in the Repository.

With respect to other Repository information, Consignor warrants the accuracy, validity and authenticity in all material respects of the Repository information placed by Consignor in the Repository.

In the event it should be determined that Consignor has placed radiographs in the Repository that are not authentic and valid, and/or information in the Repository (including the Veterinary Radiographic Report) that is not accurate, valid or authentic in all material respects and which is deemed to be materially misleading regarding the condition of the horse, then the horse is subject to Return at the option of the Purchaser only upon complying with the time requirements hereafter set forth. Time is of the essence.

A Purchaser may submit a horse for Return upon the submission of Purchaser's Veterinary Report ("Negative Report") containing the opinion of Purchaser's veterinarian describing in detail the specific information that causes the Repository information not to be accurate, valid or authentic in all material respects and materially misleading regarding the condition of the horse. The Negative Report must be received by OBS within forty-eight (48) hours or for the time specified for an online sale after the fall of the hammer and before the horse leaves the OBS sales grounds or its location at the time of an online sale.

In the event of a Negative Report, Consignor shall either accept the Return of the horse or deliver to OBS Consignor's Veterinary Report contrary to that of Purchaser ("Positive Report"). The Positive Report must be received by OBS within twenty-four (24) hours of Consignor's receipt of

the Negative Report.

In the event OBS receives both a Negative and Positive Report, OBS will provide Consignor and Purchaser with a list of a minimum of five (5) veterinarians and a Panel of three (3) veterinarians shall be convened in the same manner as provided for in CONDITION TENTH. The Seller, Consignor and Purchaser acknowledge that the selection process is fair and reasonable and meets all due process requirements as to each of them.

The Panel shall determine, based upon the information in the Repository, whether there are facts and circumstances that cause the Repository information not to be accurate, valid or authentic in any material respect and materially misleading regarding the condition of the horse. In the event the Panel determines, based upon such examination(s) that there are facts and circumstances that cause the Repository information not to be accurate, valid or authentic in all material respects and such information is deemed to be materially misleading regarding the condition of the horse, the horse shall be Returned. Otherwise, the sale shall stand. The majority opinion of the panel shall be accepted as final, binding and conclusive by Purchaser, Consignor and Seller and shall not be subject to any further review.

In the event the horse is Returned, Consignor shall (a) refund the purchase price to Purchaser together with any proper and reasonable expenses incurred by Purchaser including interest at the rate of 18% per annum, and (b) pay OBS entry fees and commission as if the sale had been final. If the Purchaser elects to rescind the sale, the risk of loss shall remain with the Purchaser from the fall of the hammer until the Consignor has been notified of the Purchaser's election to rescind the sale, at which time the risk of loss passes back to Consignor and/or Seller. Further, if OBS determines, in its sole discretion, that Consignor has deliberately and knowingly either placed incorrect information in, or omitted material information from, the Repository which is deemed to be materially misleading regarding the condition of the horse, OBS may elect, in its sole discretion, to impose sanctions against Consignor which may include, without limitation, prohibiting Consignor from selling horses at future sales.

The limited Right of Return contained in this Condition shall terminate regardless of whether forty-eight (48) hours or for the time specified for an online sale have elapsed, immediately upon the removal of the horse from OBS sales grounds or its location at the time of an online sale, or use of the horse "under tack" or "ponying". Consignor shall have the sole responsibility concerning the accuracy of the announcements/disclosures. Seller, Consignor and Purchaser agree that OBS is absolved from any liability relating to such announcements/disclosures and all agree to hold OBS harmless from any loss incurred by either of them relating to such announcement/disclosures.

All items, including radiographs, placed by Consignor in the Repository are the sole property of Consignor (or the Consignor's veterinarian) and Consignor shall have the right to receive all such items and information back seven (7) days after the fall of the hammer. However, OBS may elect to hold such items on behalf of Consignor in the event a dispute arises concerning these Conditions of Sale and will return the items to Consignor upon the resolution of the dispute. Further, OBS may permit the Purchaser to receive such items only if Consignor has agreed to permit the Purchaser to receive such items or information. In the event Consignor fails to pick up the items and information contained in the Repository within 30 days after the end of this Sale, OBS may elect to notify the Consignor (and/or the Consignor's veterinarian, if known) of OBS's intent to destroy or otherwise dispose of said Repository information ten (10) days after notice from OBS of its intent to take such action and OBS shall be held harmless by Consignor for any losses or expenses incurred as a result of OBS's disposition of the items contained in the Repository.

FOURTEENTH - BREEDING CONTRACTS: Any contractual agreements between owners of broodmares in this sale and owners of stallions to which these mares may have been bred do not follow the mare unless so announced at time of sale. OBS does not warrant any stallion seasons offered in conjunction with the sale of a broodmare or broodmare prospect. Such seasons are as represented by the Consignor, to whom only the Purchaser shall look for redress in case of any disputes.

FIFTEENTH - AUTHORIZED AGENTS: Persons acting as Agents must file letters of authorization from the Principal stating the Agent is acting in 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 OBS TO OBTAIN SUCH WRITTEN AUTHORIZATION SHALL NOT PRECLUDE OBS FROM ALSO PROCEEDING AGAINST THE PRINCIPAL. By signing the Acknowledgment of Purchase, an Agent agrees to be personally liable for the full purchase price of the horse if Purchaser does not have approved credit or fails to make settlement as provided in **CONDITION FIFTH**.

SIXTEENTH - 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 horse(s) consigned by him or her appear, prior to sale and report any inaccuracies to OBS so that it may make an appropriate announcement at time of sale. All such announcements must be provided to OBS in writing, upon the earlier of **(a) thirty minutes prior to sale of the horse, or (b) at least ten (10) hip numbers** prior to sale of the horse. OBS has the sole discretion as to whether to make any such announcements if received after such deadline, or to scratch the horse from the sale. While certain information may have been procured by OBS 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 OBS of any corrections prior to sale. **STAKES ENGAGEMENTS, PREGNANCY STATUS, 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.** INFORMATION CONTAINED IN THIS CATALOGUE CONCERNING FOALING PLACE (BY STATE, PROVINCE OR COUNTRY) **DOES NOT** ENSURE ELIGIBILITY TO RACES RESTRICTED TO HORSES BRED AND/OR FOALED IN THAT PARTICULAR STATE, PROVINCE OR COUNTRY NOR DOES IT ENSURE THE ELIGIBILITY OF ANY HORSE FOR ANY AWARDS PROGRAM SPONSORED BY ANY STATE, PROVINCE, COUNTRY OR OTHER ENTITY. NOTWITHSTANDING ANY REMEDIES THE PURCHASER MAY HAVE AS AGAINST THE CONSIGNOR, IN THE EVENT OF AN INACCURACY OR MISDESCRIPTION OF ANY HORSE LISTED IN THIS CATALOGUE (INCLUDING, WITHOUT LIMITATION, THE WRONG IDENTITY), THE PURCHASER'S SOLE REMEDY AS AGAINST OBS, IF PURCHASER HAS ANY REMEDY AGAINST OBS, SHALL BE A REFUND OF THE COMMISSION EARNED BY OBS, WHICH SHALL ONLY BE APPLICABLE UPON RETURN OF THE SUBJECT HORSE. IN THE EVENT OBS IS NEVERTHELESS REQUIRED TO REFUND THE PURCHASE PRICE TO PURCHASER, OBS MAY RECOVER SAID PURCHASE PRICE FROM CONSIGNOR, IF SAME HAS BEEN PAID BY OBS TO CONSIGNOR. ANY CLAIM REGARDING INACCURACY OF SUCH INFORMATION OR NOT OTHERWISE PROVIDED FOR MUST BE PRESENTED IN WRITING TO THE SALES COMPANY WITHIN THIRTY (30) DAYS OF THE DATE OF THE SALE AFTER WHICH PURCHASER SHALL HAVE NO RIGHT TO MAKE SUCH CLAIMS.

SEVENTEENTH - STALLION SEASONS AND SHARES: Any stallion season or share is offered in an OBS Auction Sale according to the terms of their respective syndicate agreement.

EIGHTEENTH - SALES TAX: For horses sold in the state of Florida, any applicable Florida sales tax will apply other than for horses sold by the original breeder or otherwise tax exempt. For horses sold outside the state of Florida, applicable sales tax will apply according to their location.

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

TWENTIETH - PRIVACY NOTICE: Notice is hereby given to all participants and guests at OBS Auction Sales and activities, and permission is given by all participants and guests in such activities, that OBS may record, in any manner desired by OBS, or otherwise preserve any and all portions of the OBS Auction Sales and activities in and about the sales grounds, by video, audio, computer, or other means, and such recordings may be used by OBS in any manner it so chooses in its sole discretion and are the sole property of OBS.

All participants acknowledge and agree that the Catalogue, pedigree pages, website, portal, and other electronic and printed materials distributed by OBS are the sole property of OBS and shall not be reproduced or distributed to others without the express written consent of OBS. Except for copies made for use in connection with participation in the sale, recipients may not copy, reproduce, modify, republish, use, or distribute any information provided by OBS in any form or by any means without prior written consent. All participants further agree that no video, still photographs, or sound recordings of the sales grounds, horses, or participants are allowed without the written consent and authorization of OBS.

TWENTY-FIRST - BLOODSTOCK INTERESTS: Sellers or Consignors may at times offer fractional or other interest(s) in a horse for sale, including, as the context may require, fractional interests, shares, seasons, breeding rights or other form of economic interest or contractual rights (collectively, "bloodstock interest(s)"). When such bloodstock interests are offered for sale, Seller and Consignor must disclose an accurate description of the terms and conditions of the interest being sold and any restrictions on the interest. Potential Bidders and Purchasers shall have the opportunity and obligation to review the terms and conditions of ownership of any bloodstock interest offered for sale and purchase such interests based on the terms and conditions of ownership.

By entering a bloodstock interest in the sale, Seller and Consignor, jointly and severally, represent and warrant that: (a) Seller owns good and marketable title in and to the bloodstock interest, free and clear of any and all encumbrances (as defined herein); and (b) Seller and Consignor have full capacity and full power and authority to transfer the bloodstock interest(s) to Purchaser in the manner set forth herein without the consent or approval of any other party. As used herein, "encumbrance" means any charge, claim, pledge, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, right of first refusal, lease, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership contained in any syndicate agreement, breeding or other contract governing the management of the horse that has the effect of restricting or otherwise impairing the sale or transfer of the bloodstock interest as contemplated by these Conditions of Sale.

For the sale of fractional interests in racing horses or racing prospects, Purchaser agrees to be bound by the terms and conditions of any ownership agreement, operating agreement, bylaws, or other understanding of the terms and conditions of ownership of the fractional interest. For the sale of breeding rights or breeding interests, Purchaser agrees to use the bloodstock interest(s) only in

conformity with the terms and restrictions imposed by the syndicate manager, and/or the owner and/or manager of the stallion or mare, pursuant to the syndicate agreement and/or any other applicable agreement and management practice for the stallion or mare involved. Purchasers further agree to be bound by the terms and conditions of the applicable syndicate agreement or breeding contract (as the case may be) and to execute further documentation as necessary to evidence Purchaser's acceptance of such agreements or contracts.

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

OCALE BREEDERS' SALES COMPANY, INC.