

2011 WORLD APPALOOSA SALE CONSIGNMENT CONTRACT

This contract is entered into and between Seller(s) [*Consignor(s)*] and the Appaloosa Horse Club (ApHC), [*Sale Management*] pursuant to the following terms and conditions.

1. Agreement: The Consignor(s) hereby agrees to the terms and conditions set forth below and further swears that all information furnished regarding this consignment is true and correct to the best of their knowledge. Deliberate withholding of information by the Consignor(s) can be cause for cancellation of this agreement and withdrawal of the consigned horse(s) from the sale, as well as disciplinary review by the ApHC. The Consignor(s) agrees to abide by the Bylaws and the Rules and Regulations of the ApHC.

2. Registered Horses and Ownership:

- a. The Select Sale is open to ApHC-registered horses of all ages and approved outcross breeding stock. The Yearling Incentive Sale is open to ApHC-registered Appaloosa horses foaled in 2010. All consignments must be duly registered and in good standing with the ApHC. Copies of certificates of registration will be accepted with a consignment (see 2.e. below). If the horse is a bred mare, the Consignor(s) shall submit appropriate breeding reports, service certificate and signed stallion report.
- b. The Consignor(s) must have absolute and complete ownership, including legal right and title to the consigned horse(s).
- c. If the consigned horse is subject to any security interest (UCC financing statement) or lien (e.g. stableman's lien or stallion service lien), the Consignor(s) shall disclose the name, address, phone number, and tax identification number of the interest holder to Sale Management and shall provide a written payoff letter. Sale Management may deduct from the Consignor(s) proceeds any amounts necessary to satisfy a security interest or lien, plus reasonable expenses including necessary attorney fees, and Sale Management administrative fees.
- d. Consignor(s) warrants that Consignor(s) is not subject to any restraining order, judgment, or decree impairing Consignor's authority to transfer right and title, ownership and physical possession of horse.
- e. All consigned horses must report to the inspector's station on sale grounds at least 12 hours before the start of the sale to verify the identity and markings of the consigned horse. **Original registration papers, signed transfers, breeders' certificates, Coggins and health papers must be in Sale Office files at least 12 hours prior to sale.**

3. Laws and Governance:

- a. The consigned horse(s) is offered for sale according to the laws of the State of Texas. The Consignor(s) agrees to utilize mediation as a first step in a means of resolving all disputes should they arise.
- b. The Consignor(s) hereby agrees and releases Sale Management, auctioneer, sale managers, agents, employees, and representatives thereof, from any and all responsibilities, liabilities, obligations, claims, lawsuits, or legal proceedings arising from the sale of this consignment and does hereby agree to hold the above named parties harmless from any resulting claims, actions, liabilities or judgments.
- c. Submission of this consignment application and processing of the consignment application fee(s) does not constitute formal acceptance of the horse(s), as these are merely preliminary requirements in the process of acceptance.
- d. The laws for the State of Texas will govern the animal health requirements for this sale.

4. Cancellation and Substitution:

- a. Sale Management reserves the right to reject any consignment without reason or explanation provided to anyone. The consignment fee(s) will be 100% refunded only if consignment is rejected by Sale Management or declared unfit by a licensed veterinarian prior to final cataloging of the horse. Fifty percent (50%) of the consignment fees shall be retained by Sale Management for any horse(s) withdrawn by the Consignor(s) after cataloging but prior to the sale if a statement is received from a licensed veterinarian declaring the horse unfit. Sale Management will review all other cases of withdrawing horses after cataloging on a case-by-case basis and shall determine, in its sole discretion, if any consignment fee shall be refunded; however, Sale Management shall retain no less than 50% of the consignment fee.

- b. In the event a horse becomes unfit to sell due to lameness or some other health related issue, Sale Management must be notified in writing by a licensed veterinarian the statement of facts explaining the horse's unfitness for consignment within 24 hours of making such a determination. Upon acceptance of the veterinary statement, Sale Management may grant the Consignor(s) the right to substitute another horse.

5. Consignment Fee, Sale Commissions and Fees:

- a. The consignment fee for each horse is \$350 for the Select Sale. The consignment fee for each horse is \$500 for the Yearling and Broodmare Incentive Sales. 1) A late fee of \$75 will be assessed for consignments received after the published deadline of August 2.
- b. The consignment fee covers the following: all cataloging and advertising expense; a separate stall for each horse; and the initial bedding for each stall. Feed, hay, containers for feed, water and any additional bedding must be furnished by the Consignor(s). The care, custody and control of the horse shall be the sole responsibility of the Consignor(s) until sold.
- c. A sale commission of eight percent (8%), (\$200 minimum for the Select Sale and \$250 minimum for the Yearling and Broodmare Incentive Sales), of the final recognized bid will be charged to the Consignor(s) prior to settlement with Consignor(s) following the sale.
- d. Consignor(s) may choose to set a reserve bid on any consignment. If Consignor(s) elects to set a reserve bid, consignor(s) must do so by submitting a written reserve bid form to the Auctioneer at least 30 minutes prior to the horse being led into the sale ring. Under no circumstance will a reserve bid turned in to a bid spotter or submitted in any form other than previously stated be accepted.
- e. Horses will sell to the highest bidder unless such bid fails to meet or exceed Consignor's reserve bid. In the event the reserve bid is not met, Consignor(s) agrees to pay a sale commission of eight percent (8%) of the reserve bid amount (minimum commission of \$200 for the Select Sale and a \$250 minimum for the Yearling Incentive Sale).
- f. Consignor(s) may make the final bid to retain ownership of the horse(s). In the event the Consignor chooses to repurchase a consigned horse, consignor agrees to pay a sale commission of eight percent (8%) of the final recognized bid. Minimum commission of \$200 for the Select Sale and \$250 for the Yearling Incentive Sale will apply.

6. Private Sale at Auction: The Consignor(s) agrees and promises their consigned horse will be reserved for sale at the World Appaloosa Sale, and in the event the horse(s) is privately sold prior to the auction but after cataloging, Consignor(s) agrees to pay Sale Management the sum of \$1,000, or ten percent (10%) of the selling price as verified by the Buyer(s), whichever is greater, in addition to Sale Management's retention of the consignment fee.

7. Disclosures and Notifications:

- a. The Consignor(s) is responsible for notifying Sale Management of all inaccuracies in the catalog in writing. Sale Management is not responsible for errors or omissions.
- b. It is the sole responsibility of the Consignor(s) to give written notice of all known defects and/or unsoundness of any nature, any predisposing genetic condition, or serious health history. This includes but is not limited to the following: cribbing, bleeders, cryptorchids, positive or heterozygous HYPP, horse(s) that is nerved, horse(s) that has been foundered (laminitis), horse(s) with deviations from normal vision, wind and reproductive soundness. Further, the Consignor(s) warrants the horse(s) has not been medicated to alter the horses' gait, manner, disposition or behavior.
- c. All mares of breeding age must be declared as bred or barren. Final pregnancy status on broodmares will be announced during the sale on behalf of the Consignor(s) and will take precedence over printed material in the catalog or advertising. Those mares being sold as bred will be offered with a veterinary certificate provided by the Consignor(s) in conformity with standards established by the American Association of Equine Practitioners, showing her to be 1) pregnant, in the opinion of the examining veterinarian, based on an examination within fifteen (15) days prior to the date of sale, or 2) not pregnant, but suitable for mating in the opinion of the examining veterinarian, based on an examination within fifteen (15) days prior to the date of sale. It is the Buyer's responsibility to verify the accuracy of the mare's reproductive status.

Pregnancy status may be confirmed by examination by a licensed veterinarian immediately upon exit from the auction ring, at Buyer's expense. If a mare is known to be pregnant with twins, it must be disclosed. Any Consignor(s) selling mares with a live foal guarantee or return privileges must furnish Sale Management with written acknowledgement of this agreement signed by the stallion owner (or authorized agent) that such privileges will be honored. If the stallion owner withholds the breeder's certificate until the foal is born, Consignor(s) must furnish a letter, signed by the stallion owner (or authorized agent), that such certificate is free of any additional cost and indicate how the mare owner should obtain the certificate. This letter MUST include: stallion owner's name, complete address and phone number, registered name of stallion with registration number and name of mare with registration number, and breeding dates.

d. The Consignor(s) shall give a written veterinary notice of the stallion's (any male over the age of 36 months) ability to produce viable semen, if the stallion has not sired any currently registered foals within twelve (12) months. Such statement must be made within 30 days of the date of sale.

e. It is the sole responsibility of the Consignor(s) to notify Sale Management in writing, if any horse is on medication or has been on medication within thirty (30) days prior to the date of the sale. Failure to provide this information will result in the horse being rejected from the sale and the Consignor(s) will forfeit all consignment fees. The auctioneer is hereby authorized to announce any such findings before the horse is sold.

8. Disputes:

a. In cases of dispute between the Consignor(s) and Buyer(s) regarding soundness of the horse(s), the dispute is solely between the two parties, Consignor(s) and Buyer(s).

b. In cases of dispute on statements made by the Consignor(s), Sale Management shall have the sole right to appoint an expert to decide the facts at issue. The decision of the expert shall be binding on the Consignor(s) and Buyer(s). If it is determined the Consignor(s) is at fault, the Consignor(s) agrees to pay the expert's examination fee.

c. In the case the horse(s) is rejected by the Buyer(s) as a result of misrepresentation of the Consignor(s) and the rejection is sustained by the expert, the Consignor(s) will pay full commission owed, forfeit the consignment entry fee and pay all costs associated with the expert's examination of the horse.

9. Sale Management:

a. Sale Management reserves the right at its sole judgment and discretion to 1) determine order of sale of all entries, 2) assign stabling, 3) change the date, time, or location of sale should unforeseen circumstances necessitate a change, and 4) subject horses to examination by a licensed veterinarian prior to sale, and to announce the findings.

b. Unless otherwise expressly provided in this contract, the consigned horse(s) will be sold at the fall of the auctioneer's gavel to the final bidder as determined by the auctioneer at which time Sale Management will present final bidder with an "Acknowledgment of Purchase" and acceptance of delivery. Sale Management reserves the right to publish information supplied by the Consignor(s), the selling price, and name of the successful purchasing bidder.

c. Sale Management may exercise its sole judgment and discretion and is hereby authorized to reject any bid made by a non-qualifying bidder. A non-qualifying bidder is a person who, in the judgment of Sale Management and/or auctioneer, does not qualify to purchase the horse and to complete the transaction for any of the following reasons; 1) lack of financial responsibility including default in payment on a former purchase; 2) falsifying information to Sale Management or any Consignor(s) in any way relating to a purchase, including any former purchase; 3) intoxication, unruliness, or other conduct which interferes with the progress of the sale; 4) lack of contractual capacity; 5) repudiation or refusal to comply with purchase requirements; or 6) other unacceptable conduct which causes Sale Management to conclude that the bidder is not reliable and responsible. In the event of a subsequent default by the high bidder (including stopping of payment of funds, dishonor upon presentment of a check or draft, or inability to collect payment of the purchase price), and if circumstances render immediate resale impracticable or impossible, Consignor agrees to retain ownership and possession of the horse without recourse against Sale Management. Sale Management has no pecuniary or

possessor interest in the horse(s) and has no duty to provide transportation, board, veterinary care, farrier service or other upkeep for the horse.

10. Health Requirements:

Each consignment must comply with the Texas Department of Agriculture requirements for entry into its borders. The consignment must have the following original veterinary certificates: 1) A general certificate of health dated no earlier than thirty (30) days prior to the sale day, indicating the horse(s) is free of any contagious diseases and appears to be normal at the time of the examination. 2) An original record of a negative Coggins Test for determination of EIA, dated no earlier than twelve (12) months prior to the horse sale date. Suckling foals accompanying EIA negative dams are exempt from testing; however, if a foal is weaned, it must be Coggins tested regardless of the foal's age.

11. Other:

a. The Consignor(s) has sole responsibility of handling, safety, welfare, and humane treatment of the horse(s) until Buyer(s) has accepted the purchase. All consignments must be halter and lead broke. The Consignor(s) will leave a halter and lead rope with the horse after the sale. If this is not furnished, the cost of a halter and lead rope will be deducted from the Consignor's proceeds prior to settlement with Consignor(s) following the sale.

b. All information to be printed in the catalog must be furnished to ApHC prior to cataloging. Permission is hereby granted to Sale Management to edit or add to the information that has been furnished regarding consignments.

c. If a consignment is entered in the ApHC World Championship Appaloosa Show, all awards won by the consigned horse during the show will be sent to the first listed current owner of record at the time of the win.

d. All representations and guarantees will be strictly between the Consignor(s) and Buyer(s). Sale Management does not act as agent for or represent either Consignor(s) or Buyer(s), but merely provides a medium for bringing buyer and seller together for the purpose of this sale transaction.

e. Consignor must provide a signed transfer form, but the buyer shall have responsibility for payment of the transfer fee.

f. Sale Management will initiate financial settlement with Consignor(s) for the completed sale within twenty (20) banking days after the last date of the sale in order to enable the clearing of funds, completion of accounts, administration of transactions, and the like. Sale Management shall provide Consignor(s) with an itemization of authorized expenses (i.e. commission, sales fees, and pay-offs, if applicable) deducted in computing net proceeds from the sale. Sale Management may withhold settlement and distribution of proceeds until the Buyer's funds are collected in full or in the event of a dispute over the condition of the horse(s). Upon collection of purchase funds or dispute resolution in Consignor's favor, as the case may be, sale proceeds will be immediately distributed to Consignor(s). It is hereby understood that the Consignor's check will be mailed after the 20th business day following the sale, provided the Buyer(s) has settled all indebtedness to Sale Management.

g. It is agreed that all consignments must be present in the Sale stalls at the Will Rogers Memorial Center, Fort Worth, TX, no later than 8:00 a.m. on the day of sale.

h. Sale Management or any of its employees or representatives shall not be held responsible for any accident that may occur to horses, equipment, personal property, life or limb as a result of loss by fire, theft, or injury, or for injury or death to any human or animal in any way or manner.

The person making this entry has read the terms and conditions of this Consignment Contract and agrees to abide by them.

PLEASE SIGN THE CONSIGNMENT FORM

