

CONSIGNOR TERMS & CONDITIONS

(Please Read Carefully)

LONDON SELECTED YEARLING SALE ("LSYS") acting on behalf of Forest City Standardbred Sales Inc. and Standardbred Canada

1. I (the consignor) agree to be bound by this contract and by the Conditions of Sale printed in the sales catalogue.
2. I certify that I am either the sole owner of each yearling listed on this contract or authorized by the owner or all co-owners to act as agent in the consignment and sale of each such yearling and to enter into this contract on behalf of any such owner or all co-owners. All representations and warranties in this contract are made by me as owner with respect to my yearling(s) or as duly authorized agent for the owner or all co-owners with respect to all agent yearling(s). If the person signing this contract is acting as agent for the owner of each yearling(s) listed herein, both agent and owner shall be jointly and severally liable to LSYS for all obligations arising hereunder.
3. I hereby warrant title to each yearling listed on the contract and my authority to enter such yearling(s) in this sale. I further warrant title to each yearling to be free from liens, mortgages or encumbrances. I appoint the LSYS as my agent for public auction of each yearling, with full authority to transfer the title thereto and to receive the proceeds of such sale for my account. I covenant and agree to indemnify and hold harmless the LSYS from any and all costs, liabilities and expenses (including legal fees and expenses) incurred for any reason whatsoever, including, but not limited to (a) questions of title to or liens upon each yearling; (b) my authority to enter each yearling in this sale; and (c) disputes concerning the identity, soundness, disease, veterinary conditions, stake engagements, DNA testing results, and/or produce records, for each yearling and/or involving genetic or reproductive material, and/or resulting from any liens, attachments, or claims against the net proceeds from the sale thereof.
I warrant that I am the sole and absolute guarantor of the correct identity of any and all yearling(s) sold by me in this sale, and agree that all title to, interest in, and possession of each yearling shall remain with me until title passes to buyer or buyers at the time of sale, except that title to any yearling shall remain with the owner if I am executing as agent. I acknowledge that I am responsible for the care and feeding of all yearling(s) while they are in the sale barns. I warrant and represent that no yearling will be delivered to the sale which is vicious, diseased, unsafe or a threat to the safety of its handlers or any third parties. I agree that all yearling(s) consigned to the sales by me are entered at my risk until sold, and the LSYS shall not be responsible for any damage or injury to such yearling(s) or for any injury to person or property caused by any of such yearling(s), whether before or after their sale. LSYS reserves the right to reject any application for entry at any time in accordance with its policies as prevailing from time to time; to change or adjust the dates and times of all sale sessions; to assign or change stabling facilities as it deems necessary; to determine the order of sale of all entries; to make a special announcement at the time of sale concerning any yearling(s) entered, which in the opinion of LSYS is appropriate; to change the auctioneer and to utilize a substitute auctioneer or auctioneers of its choice at any time during the sale; to amend the Conditions of Sale from time to time in its discretion; to withdraw any yearling from the sale if I fail to disclose any lien on the yearling or to obtain the written consent of any lien holder to the sale of the yearling; to withdraw any yearling from the sale if LSYS learns of any ownership dispute regarding the yearling or any undisclosed liens upon the yearling and to withdraw any yearling for which a transfer signed by all owners is not delivered to LSYS at least twenty-four (24) hours prior to the sale. If LSYS exercises any of the foregoing powers, it shall not be liable to me for damages.
4. I agree to pay LSYS a non-refundable entry fee for each yearling entered in this sale. The entry fee shall be considered as earned by LSYS upon acceptance of the yearling to the sale. The entry fee schedule will be as follows: i) \$250 on or before June 30 with the fully endorsed Registration Certificate or transfer and the Stake Engagement Form ("required documents"); ii) \$300 on or before September 30 with the required documents and coggins certificate; iii) \$350 at the time of sale with the required documents and coggins certificate. In addition to the above fee, I agree to pay LSYS a commission equal to the greater of six percent (6%) of the high bid accepted by the auctioneer or six hundred dollars (\$600.00) plus HST. In the event that I or anyone acting on my behalf (or on behalf of any owner or co-owner on whose behalf I am acting as agent), shall bid upon a yearling consigned by me and our bid is accepted by the auctioneer as the last i.e., successful bid, then I agree to pay LSYS, prior to the close of the sale session, a commission equal to the greater of six percent (6%) of the sale price or six hundred dollars (\$600.00) plus HST; whichever is greater. The yearling must be identified as "BID-IN" at the sale, in the sales office, in order to pick up the Stable Release Form.
5. I agree that after any entry is accepted I will not dispose of the entry by private or public sale either prior to or during the progress of the sale to which it is consigned. If any horse entered by me is not offered for sale, I agree

to pay LSYS the entry fee (\$250.00) and a commission plus HST. LSYS reserves the right to assess the fair market value of the horse and assign commission as six percent (6%) of the fair market value or six hundred dollars (\$600.00) plus HST, whichever is greater. If the horse is not offered for sale due to its death or physical unfitness, as determined in the sole discretion of an un-conflicted veterinarian appointed by the manager of LSYS; withdrawal may be accepted and the commission waived by the manager. LSYS shall retain a lien on all proceeds in my account for any unpaid withdrawal fees and LSYS shall further retain a lien on the Standardbred Canada/United States Trotting Association Registration Certificate and shall have the right to hold said Certificate for any such yearling(s) withdrawn from the sale, as provided above, until all withdrawal fees have been paid in full.

6. I acknowledge that I am familiar with and agree to the Conditions of Sale under which the auction sale will be conducted by LSYS. A copy of said conditions will be supplied to me upon request. I agree that if the successful bidder on any yearling entered by me in this sale fails to present himself to arrange for settlement as provided for in the Conditions of Sale or, upon presenting himself is determined to be financially irresponsible by LSYS and has not been extended credit by LSYS; LSYS is authorized to accept the same amount from another person, or accept the next highest bid. The yearling may be offered up for re-sale, for my account, in the auction if I or an authorized representative provides written authorization. LSYS shall not be liable for any deficit should the final bid on re-sale be less than that on the initial sale. In the event of such re-sale, the amount of the commission due to LSYS by me shall be based on the original sale price. If I decline to re-sell the yearling, or if the default occurs at a time when it is impractical to re-sell the yearling, it may be returned to me by LSYS without refund of entry fee or commission.
7. I covenant and agree to indemnify and hold LSYS, its stockholders, members, directors, officers, partners and employees harmless from any and all costs, liabilities and expenses (including legal fees and expenses) incurred for any reason whatsoever relating to any yearling(s) entered by me in this sale, including, but not limited to, any dispute concerning the soundness of the yearling or the existence or non-existence of any express or implied warranties or representation regarding the Yearling. LSYS's settlement of my account and payment of sale proceeds, the making (or accuracy) of any announcements made prior to the sale, or any other action taken by LSYS in upholding the Conditions of Sale. I agree that I am solely responsible for the care of each yearling and all information pertaining to each yearling. LSYS is not responsible for any condition or information regarding the yearling whatsoever. When the auctioneer's gavel falls on the final bid, the yearling is sold. I agree that, in the event of any dispute, I shall be liable for the entry fee and commission as set forth in paragraph 4.
8. In the event of any dispute arising from the consignment or sale of a yearling pursuant to this agreement, LSYS has the right to appoint an arbitrator to determine the dispute. The arbitrator's decision, and no other, shall be binding on both me and the purchaser. The arbitrator shall also be empowered to determine the obligation of any person to pay expenses, including the expenses of the arbitration. This paragraph is deemed to be a submission to arbitration pursuant to the provisions of the Arbitration Act of Ontario and all arbitrations shall be conducted in accordance with the provisions of that statute.
9. I agree that if the Coggins test results furnished by me for any yearling entered in the named sale are not in a form acceptable to any state, province or national racing commission or regulatory agency, LSYS may have the yearling retested, and all expenses incurred therefore, including board, testing and transportation, shall be paid by me and may be deducted by LSYS from any sale or settlement proceeds in my account. All Coggins test results must be negative and dated within 150 days of the sale date. All yearling(s) consigned must be freeze branded or microchipped. All yearling(s) must be DNA tested for parentage verification.
10. I agree that all yearling(s) I enter in this sale must be nominated to a minimum of five (5) stake engagements including their respective provincial or state sire stakes program. Each yearling consigned by me to this sale is entirely at my risk until sold and subject to paragraph 14 below, completely paid for or satisfactory credit arrangements have been made. LSYS is acting only as agent, and I am the responsible party in every respect. I acknowledge that I am solely responsible for the accuracy of all information provided to LSYS and its employees and, further, that I have the affirmative duty to examine the sales catalogue pages on which yearling(s) consigned by me appear, prior to the sale, and to report any inaccuracies to LSYS prior to the time of sale so that it may make an appropriate announcement at the time of sale. I hereby release and hold harmless LSYS, its stockholders, members, directors, officers, partners and employees from any and all costs liabilities and expenses (including legal fees and expenses) incurred as a result of any inaccuracies relating to such information as set forth above.
11. If I desire to make any announcements on any yearling listed herein, I must submit the announcement in writing to the sales office not later than twenty-four (24) hours prior to commencement of the sale session in which the yearling is being offered for sale. I agree that LSYS is absolved from any liability if these procedures are not strictly followed. I shall be solely responsible for having such announcements made and for their accuracy and I hereby

release and hold LSYS harmless from any errors and omissions, including LSYS's own negligence, in making or failing to make such announcements. I agree to be present in person, or to have a duly authorized representative present, to make true representation regarding each yearling, and to correct any errors which may appear in the sales catalogue. LSYS reserves the right to not offer a yearling for auction unless represented by me or my authorized agent. I will defend LSYS against any suit brought arising out of, or due to, the sale of any of the yearling(s).

If any yearling is considered to be a ridgling or gelding or is spayed, or if any yearling has been conceived as a result of embryo transfer, it shall be my responsibility to see that this condition is published in the sale catalogue or announced prior to the yearling being offered for sale.

In the event an embryo, semen or other genetic material (other than genetic material required and used for DNA testing and other non-reproductive purposes) has been harvested from any catalogued yearling, the consignor accepts full responsibility to provide LSYS with a written statement which shall be announced prior to the sale of the yearling. I hereby release and hold harmless LSYS, its stockholders, members, directors, officers, partners and employees, from any and all costs, liabilities and expenses (including legal fees) incurred as a result of any inaccuracies or failure to make any required statements relating to the disclosure of any information as set forth above.

12. I understand, acknowledge and agree that LSYS is not responsible for providing veterinary services during the sale sessions; that if any veterinary services are made available by LSYS, such services are being made available for convenience purposes only and that any use that I may make of such services will be at my sole cost, expense and risk; and that no such veterinarian has any authority to make any representations or warranties on behalf of LSYS.
13. I understand, acknowledge and agree that LSYS shall have the right to deduct from any sales, settlements or other proceeds held at any time in my account any and all fees, commissions and other indebtedness which I may then owe to LSYS under this agreement and/or the Conditions of Sale, printed in the sale catalogue, whether or not such fees, commissions or other indebtedness relate to the yearling or yearlings from the sale or sales of which such account proceeds were derived.
14. I agree that LSYS in its sole discretion may grant invoicing privileges to approved purchasers with payment specified to be made no later than fifteen (15) days after the conclusion of the sale. LSYS shall make every effort to collect all accounts but I agree that settlement cannot be made to me, and LSYS is not liable for payment to me, until payment is received by LSYS and I agree that settlement by LSYS with me for the sale of my yearling(s) will be made by the 30th business day after the last day of the sale.
LSYS shall have the full authority to distribute such proceeds of sale to me and such other parties as LSYS reasonably believes to have an interest in the proceeds and in such priority as LSYS reasonably believes appropriate. I covenant and agree to indemnify and hold LSYS harmless from any and all costs, liabilities and expenses, including attorneys' fees and expenses, incurred because of, or arising out of, any questions or issue of the distribution of sales proceeds by LSYS to me or any such other parties as LSYS may deem appropriate.
LSYS may withhold payment for any or all of my sold yearling(s) subject to the following circumstances (or LSYS receipt of notice, oral or written, of the occurrence or existence of one or more of the following circumstances) until the matter is resolved.
 - a) Any dispute regarding the accuracy, completeness or updating of any information set forth in the Sales Catalogue regarding one of my yearling(s);
 - b) Any dispute relating to the registration, identity, eligibility or condition (physical or otherwise) of one of my yearling(s);
 - c) Any dispute regarding any alleged representation or warranty, express or implied, regarding one of my yearling(s);
 - d) Any dispute between a third party and me regarding ownership of one of my yearling(s) or entitlement to the sale proceeds of one of my yearling(s);
 - e) Any extension of credit made by me or someone acting on my behalf to the buyer of one of my yearling(s);
 - f) Any buyer who has not been extended credit by LSYS refuses to pay or cannot be located by LSYS after reasonable efforts by LSYS;
 - g) I give LSYS any false, misleading or incomplete information regarding any of my yearling(s) or
 - h) A default or threatened default by me under any terms of this Consignor Contract or any other contract between LSYS and me.

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