**IMPORTANT AND LEGALLY BINDING RULES APPLICABLE TO THIS SALE. PLEASE READ.**

**FIRST**

**THESE CONDITIONS GOVERN THIS SALE:** This sale is governed by these Conditions of Sale and by all announcements from the auctioneer’s stand or otherwise (“Announcements”). **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) (“Bidders/Purchasers”), all other** **interested parties and all sales are therefore bound by and subject to the** **provisions of the Conditions of Sale as set forth in this catalogue and**

**Announcements.**

**Presale Exam:** All prospective Bidders/Purchasers are urged to carefully examine horses in which they may be interested (personally and/or by Agents or veterinarians of their choosing) **BEFORE bidding,** and as required by Condition NINETEENTH, as they are accepting any horse purchased with any and all faults, including all conditions and defects, except for applicable limited warranties set out in Conditions NINTH through THIRTEENTH, SIXTEENTH and NINETEENTH through TWENTIETH. **In all other respects the AS IS** **nature of this sale remains in full force and effect. All prospective** **Bidders/Purchasers acknowledge presale exams may be conducted by physically viewing the horse, if available, by video, by photos, or through** **an Agent. All prospective Bidders/Purchasers further acknowledge that if** **the presale exam is insufficient as determined in the sole discretion of the** **prospective Bidder/Purchaser, said prospective Bidder/Purchaser shall not** **bid on the horse.**

**Conformation Surgeries**: Horses in this sale may have been subject to surgery(ies) designed to affect permanent changes in physical makeup, which includes, without limitation, transphyseal bridge, periosteal transection, manipulation, and elevation (“Surgeries”). Nondisclosure of such Surgery(ies) **shall not be grounds for Rejection (as hereinafter defined)** **of sale.** Should a Purchaser deem this information material, Purchaser should request from Consignor whether such Surgery(ies) has or have been performed and Consignor shall be obligated to respond truthfully to his or her best knowledge, information, and belief.

**Agent:** All prospective Purchasers who utilize Agents are further urged to reach an agreement with the Agent concerning the Agent’s apparent or real conflicts of interest and disclosure of the Agent’s compensation, if any, from whatever sources, directly or indirectly, relating to or arising out of, the Agent’s services.

**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.**

**Endoscopic Examination:** Conditions revealed by post-sale laryngoscopic examinations for which Rejection is allowed are ONLY as set forth in Condition TENTH. There are other conditions which may be revealed by that examination or other examinations which may affect the desirability of purchasing the horse, but which are not grounds for Rejection.

**Private Agreements:** In the event Seller and/or Consignor makes arrangements with prospective Bidders/Purchasers prior to sale which differ from these Conditions, MTA shall have no responsibility in regard to any such agreements, and the enforcement thereof shall be the responsibility of the parties to the agreement; provided, however, a change in ownership of a horse in this sale after the horse is on MTA sales grounds must be disclosed by the Seller and/or Consignor to MTA in writing, and in that event, may be sold, with an Announcement by the Auctioneer disclosing that a change in ownership has occurred.

**Privacy Notice:** Notice is hereby given to all participants at MTA Sales that MTA may record any or all portions of MTA’s sales by video, audio, or other means, which may be used by MTA in its sole discretion.

**SECOND**

**BIDDING/DISCLOSUR**E**:** The right to bid in this sale is reserved for all Sellers, including their disclosed and undisclosed Agents, unless otherwise announced at time of sale. Purchasers therefore agree and acknowledge that Sellers have the right to set reserves implemented by the auctioneer upon horses so entered which are not disclosed to Purchasers and have the right to conduct by bidding as related to their entries. Sales results reported by MTA may or may not reflect the fair market value of any horse(s) going through MTA’s sale as, among other reasons, Consignors may inform MTA after the sale concerning horses that may have been initially reported as a sale(s) which are, in fact, not a sale.

As noted in CONDITION FIRST above, MTA encourages all Bidders to conduct pre-sale exams on any horse on which they may bid. All Bidders agree to these Conditions of Sale and all Announcements as well as such additional terms as MTA, in its sole and absolute discretion, may require. When making a bid, a Bidder accepts personal liability to pay the purchase price, as described more fully in CONDITION SIXTH below.

**THIRD**

**RESOLUTION OF BIDDING DISPUTES:** Should any dispute arise between or among two or more Bidders, MTA shall forthwith adjudicate the dispute, and its 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 MTA are recognized as if tendered to MTA, but in case of 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 MTA recognized the last bid. In case of any dispute, advance bidding shall be restricted to the contending parties, but should the recognized bid from the contending parties be reduced below the bid at commencement of dispute, then the bidding shall be reopened to all Bidders, and the final bid therefrom shall stand, regardless of whether the final bid exceeds the bid which was disputed. The bid recognized at the conclusion of any bidding dispute shall be deemed the sale (“hammer”) price and Consignor shall not be entitled to any amount over the hammer price. MTA reserves the right to reject any or all bids, in its sole discretion. If the Seller, Consignor (or his Agent) bids in his own horse (RNA), then Consignor shall so notify MTA within thirty (30) minutes of conclusion of that sales session. In the event the Bidder who had the highest and last bid at the fall of the hammer fails or refuses to sign the Acknowledgement of Purchase and Security Agreement when presented to said Bidder by MTA, MTA may elect at its sole discretion, to either re-enter the horse at the same sales session, or withdraw the horse entirely from the sale. MTA reserves the right to sue said Bidder for the hammer price (or any deficiency if resold), plus any other damages or may, in its sole discretion, assign such right to the Consignor, in which event MTA shall have no further obligation arising out of the subject horse being entered and going through the auction process at MTA. Further, Seller, Consignor and Bidder agree to hold MTA harmless for any deficiency or loss incurred by any of them resulting from such action.

**FOURTH**

**MISSED RESERVES:** MTA shall use its best efforts to adhere to reserves properly and timely placed (in accordance with time limits and other requirements established by MTA) with MTA. In the event a horse is sold to a Purchaser for less than the reserve, MTA’s liability 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 sold 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 and Seller, Consignor and MTA agree that MTA shall waive all of its commission, including any entry fees paid, as liquidated damages and neither party shall have any other rights, claims or obligations to the other arising out of the reserve error.

**FIFTH**

**PASSING OF TITLE; RISK OF LOSS; DELIVERY:** Except as provided in this Condition FIFTH and Condition ELEVENTH, title and risk of loss pass to the Purchaser at the fall of the auctioneer’s hammer, at which time Purchaser shall be responsible for the care, custody, control, and security for the horse and for all expenses relating thereto.

**Stable Release.** Upon settlement by Purchaser the horse will be delivered by means of a “stable release” provided by MTA to Purchaser or his representative. Purchaser or his representative shall present a “stable release” to designee of MTA to be permitted to remove any horse from MTA sales grounds after taking possession; but in any case, taking possession of the horse by Purchaser or his representative shall constitute delivery and acceptance. Unless other arrangements have been made with MTA, Purchaser shall remove all horses promptly from the MTA sales grounds after the sale. In addition, should Purchaser fail to remove the horse(s) promptly, MTA may remove the horse(s) from MTA sales grounds at Purchaser’s risk and expense or, in the alternative, charge the Purchaser for stable space.

**SIXTH**

**TERMS FOR PAYMENT/CREDIT:** Purchaser shall make payment to MTA in all cases. Unless MTA determines to extend credit to a Purchaser, Purchaser shall make payment for the full purchase price for each horse purchased as may be required by MTA and not later than thirty (30) minutes from the fall of the hammer, such payment to be in the form of U.S. currency, check, withdrawal from Canterbury Horsemen’s Account. MTA also accepts credit card payments with a 5% handling fee added to the final bid price.

MTA may, in its sole and exclusive discretion, elect to make full or partial settlement with Consignor despite a default by Purchaser. **SUCH ELECTION(S) BY MTA TO PAY THE CONSIGNOR SHALL NOT CONSTITUTE A WAIVER, NOR ESTABLISH A CUSTOM AND SHALL NOT ABROGATE MTA’S RIGHT TO WITHHOLD SETTLEMENT FROM CONSIGNOR IN ANY OTHER CASE WHERE THE PURCHASER HAS DEFAULTED.** In no case shall any part of the purchasemoney be paid directly to the Consignor by the Purchaser unless otherwiseagreed to, in writing, by Consignor, Purchaser and MTA. Such paymentwill not be regarded as valid and will not entitle the Purchaser to obtain thehorses so purchased in this manner. On final settlement for a horse, or theapproval of the Purchaser’s credit by MTA, MTA will issue a “stablerelease” which must be presented by the Purchaser to the stable manager fordelivery of the horse as provided in Condition FIFTH. Purchasers are cautionednot to lose these “stable releases.”

**SEVENTH**

**DEFAULTERS:** In the event any Purchaser fails to pay the purchase price within thirty (30) minutes from the fall of the hammer or fails to sign the Acknowledgment of Purchase and Security Agreement, then the Purchaser shall be deemed a defaulter (“Defaulter”) and MTA shall notify the Consignor of the default upon discovery of the Defaulter. The Consignor of the horse for which the purchase price is not paid has the option of (1) extending credit to the Purchaser and accepting all risk therefore; OR (2) retaining ownership of the horse. Consignor must decide which of these foregoing options it elects within thirty (30) minutes of notice to the Consignor by MTA of non-payment. In the event MTA, in its sole discretion, determines it is not practicable or advisable to resell the horse during the same sales session, then the horse may be resold by MTA at public or private sale, including on any subsequent day or sales session of the sale in question, without prior notice, for the Defaulter’s account, costs of such sale and attorneys’ fees to be borne by the Defaulter. Any deficiency owed by Defaulter resulting from resale on account of any default which is not collected from the Defaulter shall be borne by the Consignor, and MTA shall have no responsibility therefore. FURTHER, THE DEFAULTER SHALL BE LIABLE FOR A DELINQUENCY OR LATE CHARGE AT THE RATE OF ONE AND ONE-HALF PERCENT (1-1/2%) PER MONTH ON THE UNPAID PURCHASE FROM THE DATE OF SALE UNTIL PAID, COMPOUNDED MONTHLY. Should such resale fail to satisfy the Defaulter’s account in full, Defaulter shall be responsible for any such deficiency balance and shall pay MTA the amount owing, including late charges, all reasonable attorneys’ fees, costs of such litigation and any other damages available to MTA by law, including reimbursement for all expenses in caring for and insuring said horse.

**EIGHTH**

**WARRANTY DISCLAIMER: OTHER THAN THOSE LIMITED WARRANTIES EXPRESSLY STATED IN THESE CONDITIONS OF SALE OR UNLESS OTHERWISE EXPRESSLY ANNOUNCED AT TIME OF SALE, THERE IS NO WARRANTY OR GUARANTEE OF ANY KIND, EXPRESS OR IMPLIED, BY MTA, SELLER, AND/OR OR CONSIGNOR AS TO THE SOUNDNESS, CONDITION, WIND OR OTHER QUALITY OF ANY HORSE SOLD IN THIS SALE. THERE IS NO WARRANTY, EXPRESS OR IMPLIED, BY MTA, SELLER AND/OR CONSIGNOR, EXCEPT AS SPECIFICALLY SET FORTH HEREIN, AS TO THE MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY HORSE OFFERED IN THIS SALE. SUBJECT TO THE LIMITED WARRANTIES STATED HEREIN, ALL SALES ARE MADE ON AN “AS IS” BASIS, WITH ALL FAULTS AND DEFECTS. OTHER THAN FAILURE TO SATISFY THE EXPRESSLY LIMITED WARRANTED CONDITIONS LISTED BELOW, NO OTHER DEFECTS SHALL CONSTITUTE A NONCONFORMITY, SUBSTANTIAL OR OTHERWISE, WITH THE TERMS OF THE CONDITIONS OF SALE/CONTRACT.**

**NINTH**

**Limited Warranties:** The following conditions of a horse **must be so announced at time of sale:** (a) any horse that is either a cribber, or (b) anyhorse that is sold in this sale after July 1 of his yearling year and is a cryptorchid(ridgling), a bilateral cryptorchid, or a gelding. A cryptorchid (ridgling) is definedas a colt which does not have both testes palpable in the entirety below the **external** inguinal ring and includes a colt that has had one testicle removed. Abilateral cryptorchid is defined as a colt which does not have any testes palpablein the entirety below the external inguinal ring. A gelding is a horse that hashad both testes surgically removed.The following conditions of a horse **must be so disclosed by placing a veterinary certificate in the Repository** (seeCondition NINETEENTH) on a timely basis as required by MTA,reasonably disclosing that one or more of the following conditions areapplicable OR in lieu thereof must be so announced at time of sale: all horsesthat (i) possess any deviation from the norm in the eyes; (ii) are a “wobbler”(defined as a horse which suffers from a neurological disease caused bycompression of the spinal cord and resulting in lack of balance andcoordination) and/or have undergone any corrective surgery related thereto;(iii) are two years of age or less and have undergone (a) invasive joint surgery,or (b) surgical intervention of the upper respiratory tract; (iv) have undergoneabdominal surgery of any type that occurred in the last two (2) calendar yearspreceding the day of sale and any resection of an abdominal organ (partial orcomplete) at any time except to repair a ruptured bladder in a newborn foal; or(v) have been nerved.

Any horse whose condition is as aforesaid and is not so announced or disclosed as required above will be subject to return to Consignor with refund of purchase price, provided that MTA is so notified in writing by veterinary certificate, of such condition **and the rejection or revocation of acceptance of the horse** **(“Rejection”) on the above grounds shall meet the time requirements and** **process set forth herein. In addition, any horse which has been subjected** **to Prohibited Practice(s) (as hereafter defined) shall be subject to** **Rejection,** provided that MTA is so notified in writing by veterinary certificate of the Prohibited Practice to which the horse was subjected, and such Rejection shall meet the time requirements set forth herein.

Consignor shall have the sole responsibility concerning the accuracy of the disclosure/announcements of the condition of any horse as aforesaid and required above, and Seller, Consignor and Purchaser agree that MTA is absolved from any liability relating to such announcements/disclosures and each agrees to hold MTA harmless from any loss incurred relating to such announcements/disclosures and any claims resulting therefrom. Seller, Consignor and Purchaser further agree that MTA is absolved from any liability relating to Prohibited Practices (hereafter defined) and each agrees to hold MTA harmless from any loss incurred with respect to Prohibited Practices (as hereafter defined). **Except as otherwise expressly provided in** **these Conditions of Sale, in the event of any Rejection under these** **Conditions of Sale, Consignor shall (i) refund the purchase price to** **Purchaser together with any proper and reasonable expenses incurred by** **MTA including interest at the rate of 12% per annum, and (ii) pay** **MTA’s entry fees and commission as if the sale had been final.**

**Prohibited Practices are:**

* **Shockwave Therapy** in any form once the horse enters the MTA sales grounds.
* **Acupuncture and/or Electro-Stimulation** with the intent of altering laryngeal function once the horse enters the MTA sales grounds.
* **Any invasive practice which intentionally conceals a material defect or chronic lameness.**
* **Internal blister or other injections** to the knee intended to have the effect of concealing the true conformation of the horse.

**Time Requirements:** The physical condition of horses is subject to material change daily. **Time is of the essence. Failure to strictly comply** **with the notice requirements hereafter set out shall operate to disallow** **the protection of the applicable limited warranty in favor of** **Purchasers.** The time requirements for Rejection for each of the limited warranties herein and as set forth in subparagraphs (i) through (v) and Prohibited Practices stated above are:

(A) 48 hours from the end of the session at which the horse in question was sold for cribbers, misdescription as a colt/cryptorchid/gelding, deviation from the norm in the eyes, wobblers, or Prohibited Practices.

(B) 14 days from the day of sale in the case of surgeries as described in paragraphs (iii), (iv) and (v) above.

**Notice Requirements for Rejection:** Purchaser may avail himself of the remedy of Rejection as a result of the breach of the above limited warranties only upon complying with the following: (i) written statement from Purchaser notifying MTA of its intent to elect Rejection must be received by MTA within the time period prescribed herein; (ii) delivery of a veterinary certificate stating such veterinarian’s opinion that the horse in question has not met one or more of the above limited warranties within the time period prescribed herein. If Consignor disagrees with Purchaser’s veterinary certificate, Consignor must, within 24 hours of receiving notice of Purchaser’s veterinary certificate, supply a veterinary certificate stating that the horse does comply with the limited warranty in question. In the event of conflicting certificates, MTA shall appoint a third veterinarian whose certificate in these circumstances shall be binding upon Seller, Consignor, Purchaser and all other parties’ absent fraud or bad faith. Seller, Consignor and Purchaser acknowledge that having MTA appoint the third veterinarian is fair and reasonable to each of them.

**TENTH**

**UPPER RESPIRATORY LARYNGOSCOPIC EVALUATIONS (EXCLUSIVE OF THE TRACHEA):**

**Post-Sale Endoscopic Examination**

Notwithstanding any prior custom and usage of the trade, horses which have not raced and which are sold as racing prospects in this sale after July 1 of his/her yearling year, at the election of Purchaser, shall be subject to a post-sale upper respiratory laryngoscopic evaluation (excluding the trachea) through a veterinarian specializing in equine practice of Purchaser’s choosing within twenty-four (24) hours from the end of the session in which the horse in question was auctioned and prior to the horse leaving MTA sales grounds.

**Negative/Positive Certificate**

If the Purchaser’s veterinarian is of the opinion that the horse has: (i) laryngeal hemiplegia (consistent immobility or inability to fully abduct the arytenoid cartilage), (ii) rostral displacement of the palatopharyngeal arch, (iii) epiglottic entrapment, (iv) permanent dorsal displacement of the soft palate, (v) chondroma or severe arytenoid chondritis, (vi) subepiglottic cyst(s) or (vii) cleft palate (“Negative Certificate”), then Purchaser shall so notify MTA, in writing, within twenty-four (24) hours from end of the session in which the horse in question was auctioned and prior to the horse leaving MTA sales grounds, and shall further furnish MTA within that time period with a copy of the Negative Certificate. MTA shall, as soon as practicable thereafter, notify Consignor. Consignor shall either accept Rejection of the sale or deliver to MTA his veterinarian’s certificate contrary to that of Purchaser (“Positive Certificate”). Upon receipt of a Positive Certificate, which must be received by MTA within twenty-four (24) hours of Consignor’s receipt of the Negative Certificate, Consignor and Purchaser or their representatives shall meet, for purposes of selecting a Panel of three veterinarians. The Panel shall be determined as set out in this Condition TENTH. The Panel shall determine whether the horse has one or more of the conditions set forth herein, and in that event the sale shall be cancelled. Otherwise, the sale shall stand. The decision of the Panel shall be **final, binding, and conclusive** on all parties, absent fraud, or bad faith. If the Panel is not unanimous, a majority vote shall be determinative.

**Dispute Resolution**

For purposes of resolving issues arising out of Conditions TENTH and TWELFTH, a Panel of three (3) veterinarians shall be selected. MTA shall provide Consignor and Purchaser (or their representatives) with a list of not less than five (5) veterinarians. Consignor shall have the first strike of the veterinarian deemed most unacceptable to him, and Purchaser shall have the second strike, and they shall alternate thereafter until three (3) veterinarians remain on the list. MTA shall then determine if all three veterinarians can serve on the Veterinary Arbitration Panel (the “Panel”) and if not, MTA shall canvas the other veterinarians struck in reverse order until three are found who will serve. If three are not found, Consignor and Purchaser shall repeat the process under such conditions as MTA shall determine until three veterinarians are found who will serve. Seller, Consignor and Purchaser acknowledge that the selection process set out herein is fair and reasonable to each of them.

**ELEVENTH**

**ANABOLIC ANDROGENIC STEROIDS; BRONCHODILATOR; NSAID; SYSTEMIC CORTICOSTEROIDS; INTRA-ARTICULAR INJECTIONS; BISPHOSPHONATES**

Limited Warranties: Consignor warrants that any yearling entered in this sale shall not have been administered at any time any anabolic androgenic steroids (“AS”) or any bronchodilator, NSAID, systemic corticosteroid, or intraarticular injection in violation of Condition TWELFTH of these Conditions of Sale. Consignor further warrants that any yearling entered in the sale shall not have been administered at any time any bisphosphonate. AS, bisphosphonate, and the administration of a bronchodilator, NSAID, systemic corticosteroid, or intra-articular injection in violation of Condition TWELFTH of these Conditions of Sale shall be referenced in this Condition ELEVENTH as “Medication”.

For Purchaser to avail himself of either limited warranty he must check the appropriate box on the Acknowledgment of Purchase and Security Agreement for the horse at the time of sale directing MTA to have a blood sample taken. Purchaser agrees to pay MTA’s direct costs and administrative expenses in regard to testing the blood sample. MTA will then arrange for a blood sample to be taken by a veterinarian selected by MTA prior to the horse leaving the MTA sales grounds, which sample shall be sent to a laboratory selected by MTA for testing for Medication, as noted on the Purchase and Security Agreement. Consignor hereby consents to a blood sample being taken. Should the post-sale test reveal the presence of Medication at such level as is deemed by the testing laboratory to show that Medication has/have entered the system of the horse at any time prior to the sale of the horse in violation of these Conditions of Sale (“Positive Test”), Purchaser shall have the right of Rejection, which right must be exercised by Purchaser giving notice to MTA in writing within 24 hours of Purchaser’s receipt of the results indicating a Positive Test. In the event Purchaser elects Rejection, Consignor shall refund any sales proceeds paid to Consignor by MTA and pay Purchaser and MTA all proper expenses and legal fees incurred by either of them, including interest thereon at the rate of 12% per annum, from the time of sale until the return of the horse to the Consignor. Proper expenses include, but are not limited to, such items as the testing fee per test, veterinarian charges, vanning, insurance and boarding. Purchaser shall be required to exercise due care during the Rejection period in maintaining and boarding the horse. In the event of a Positive Test, risk of loss shall remain with Purchaser from the fall of the hammer until Consignor has been notified of Purchaser’s election of Rejection, at which time risk of loss passes back to the prior owner, notwithstanding any other provision of these Conditions of Sale. Further, Purchaser shall not cause the horse to be materially altered during the Rejection period. MTA will give notice of the results of such tests to Consignor and Purchaser as soon as practicable after receipt of the results from the testing laboratory which is anticipated to be within 10 days from date of sale. No other testing by Purchaser shall be allowed to support any claim by Purchaser concerning the presence of Medication in violation of these Conditions of Sale. In addition, neither Purchaser nor Consignor shall have the right nor shall MTA have any obligation to conduct testing of a split sample. MTA’s decision concerning whether there is a Positive Test, if same is supported by the testing laboratory selected by MTA, shall, absent fraud or bad faith, be fully binding upon Consignor, Purchaser, and all other interested parties. If any party challenges MTA’s exercise of discretion, such party shall be liable for all of MTA’s reasonable expenses, including, without limitation, its attorneys’ fees incurred in defending the challenge, unless fraud or bad faith on the part of MTA is finally determined by a court of competent jurisdiction from which no further appeal can or will be taken.

**TWELFTH**

**MEDICATION CONDITIONS:** Consignor for himself and all Sellers and others interested in any horse being sold agrees and acknowledges that MTA has the right, in its sole discretion, to conduct drug tests upon any horse entered by Consignor in this sale and Consignor hereby gives MTA’s representative(s) access to the horse necessary to obtain samples (including, without limitation, urine, blood, hair or other samples) for testing as said representative(s) deems appropriate, in his sole discretion. In addition to testing elected by Purchaser pursuant to Condition ELEVENTH, MTA shall have the sole discretion as to when and from which horse said random samples shall be collected, the selection of the methodology of the testing as well as the classifications of drugs to be tested and shall further have the sole discretion as to the selection of the veterinarian(s), laboratory(ies) and other expert(s) who will conduct the testing and interpret the results.

**NSAIDs**

No more than one (1) non-steroidal anti-inflammatory drugs (“NSAIDs”) shall be administered at or below the manufacturer’s recommended dosage to a horse within forty-eight (48) hours prior to the beginning of the session in which the horse is to be sold.

**Systemic Corticosteroids**

No more than one (1) corticosteroid shall be administered at or below the manufacturer’s recommended dosage within seven (7) prior to the beginning of the session in which the horse is to be sold.

**Intra-Articular Injections**

No intra-articular injections shall be administered within fourteen (14) days prior to the sale of a horse. Minnesota Rules of Racing. No medication or substance which is prohibited under the rules of racing as adopted in the State of Minnesota by the Minnesota Racing Commission shall be administered at any time. The detection of a detectable concentration of any such prohibited substance in a post-sale sample of blood, urine, hair or any combination of blood, urine or hair shall constitute a violation of this rule.

**Bronchodilator (including Clenbuterol).**

No bronchodilator (including without limitation Clenbuterol) shall be administered to a yearling within ninety (90) days prior to the sale of a horse. Notwithstanding the foregoing, in the event any bronchodilator (including without limitation Clenbuterol) is administered to a horse prior to July 1 of a horse’s yearling year for valid, on-label purposes, the same shall be disclosed in the Repository with a note of explanation from the treating veterinarian. In the event said veterinary disclosure is made and purchaser (itself or through its agent) accessed the Repository after such disclosure had been made, Purchaser shall not have the right of Rejection in the event of a Positive Test for the presence of a bronchodilator (including without limitation Clenbuterol) pursuant to Condition ELEVENTH.

**ALL OTHER MEDICATIONS ARE PROHIBITED WITH LIMIT OF DETECTION TEST.**

***ANY MEDICATIONS* administered within forty-eight (48) hours of the sale MUST BE DOCUMENTED and submitted to the MTA.**

**Medication, dosage, time of administration, reason for use and name of individual administering the medication must be included, in writing.**

**THIRTEENTH**

**PAYMENT OF EXPENSES; RESOLUTION OF DISPUTES; WAIVER OF HEARING PROCEDURE; HOLD MTA HARMLESS:**

For all dispute resolutions as provided in these Conditions of Sale, expenses of the Panel, arbitrator, or Third-Party Veterinarian, as applicable, and MTA 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. During the period of determining whether the sale shall be Rejected, the horse shall be at the risk of the party who does not prevail. Boarding of the horse during this period shall be arranged by MTA with the cost of same to be borne by the non-prevailing party.

All dispute resolutions shall be conducted in Shakopee, Minnesota, and the final determination of the Panel, arbitrator, or Third-Party Veterinarian, as applicable, shall be in writing and signed by the Panel members, arbitrator, or Third-Party Veterinarian making or joining in the determination, as applicable.

The parties acknowledge that they expressly waive any requirement that the Panel or the Third-Party Veterinarian, as applicable, conduct a hearing and the parties further waive any right they may have to participate in any dispute resolution procedure other than as provided in these Conditions of Sale. All parties further acknowledge the Panel may be conducted, if deemed feasible in MTA’s discretion, in a manner which does not reveal the identity of the parties involved and/or the identity of the horse(s) at issue.

**Time is of the essence** for all matters as set forth in this and all other Conditions of Sale.

All parties acknowledge that only the conditions set forth in these Conditions of Sale will allow Rejection and that Rejection hereunder **shall be Purchaser’s** **sole and exclusive remedy.** In all other respects the **AS IS** nature of this sale remains in full force and effect.

Other than those disputes which are subject to binding resolution as set forth in these Conditions of Sale, for all such other disputes among Seller, Consignor, Purchaser and/or MTA arising out of this sale, including but not limited to, any dispute arising under these Conditions of Sale regarding any alleged defect or nonconformity or breach of warranty of fitness, as may be provided herein, of any horse sold, all interested parties agree that MTA may seek judicial resolution of such dispute and shall be reimbursed for its reasonable costs and expenses, including interest and attorneys’ fees, pending determination thereof.

In addition, if no party is willing to take possession of the horse which is the subject matter of the controversy, all interested parties agree that MTA may take all such steps as it deems advisable in the maintenance and care of such horse, including, without limitation, board, veterinary care, and any other reasonable expenditures such as insurance coverage. Furthermore, MTA shall have the sole discretionary right, but shall be under no obligation, to sell the horse in controversy at any sale, public or private, and upon such terms and conditions as MTA may deem appropriate. MTA has the sole discretion as to making any Announcements concerning the condition of the horse prior to such sale. Such sale may be made, within the sole and exclusive discretion of MTA, with or without notice to the Seller, Consignor or Purchaser. All such costs and expenses shall bear interest at the rate of 12% per annum, and MTA shall be reimbursed for same, costs and expenses plus interest thereon, by the party ultimately determined to be the owner of the horse in controversy. In the event the subject horse should be resold, all parties agree that MTA shall be reimbursed first for any expenses it has incurred in the care of such horse and for its legal expenses with the balance, if any, to be paid to the Consignor.

Seller, Consignor and Purchaser agree to hold MTA harmless for any deficiency or loss the Seller, Consignor and/or Purchaser may incur upon the resale of such horse in the event MTA is unable to resell the horse for an amount equal to or greater than the original purchase price.

**FOURTEENTH**

**REGISTRATION CERTIFICATES:** The Registration Certificate for each horse sold must be furnished by the Consignor prior to the sale. MTA will withhold settlement for all sales, until all Registration Certificates have been delivered to MTA.

MTA reserves the right to withhold delivery of all registration papers for all horses either bought by a Purchaser OR returned to Consignor (in the event of either a withdrawal fee or a chargeback commission) until such time as the Purchaser’s or Consignor’s account with MTA shall have been paid in full. Further, in addition to all other rights and remedies, to the fullest extent permitted by applicable law, all parties acknowledge MTA has the right to set off, without further notice to Purchaser or Consignor, and apply funds held by it to satisfy payments owed to MTA by Purchaser or Consignor until such time as Purchaser’s or Consignor’s account with MTA shall have been paid in full. To secure payment of the purchase price or sales commission, Seller, Purchaser and Consignor hereby grant MTA a security interest and lien upon the subject horse or horses (and proceeds and progeny thereof), together with all registration certificates and stallion service certificates (including without limitation digital certificate(s)) relating thereto.

**FIFTEENTH**

**CATALOGUE; RESERVES; ANNOUNCEMENTS:** The accuracy of all information on the catalogue page(s) is the sole responsibility of the Consignor. Consignor shall have the affirmative duty to examine the catalogue page(s), on which horses consigned by him appear, prior to sale and report any inaccuracies to MTA so that it may make an appropriate announcement prior to sale. All such announcements must be provided to MTA, in writing, **on the appropriate form, by 1:00 p.m. on the day of the sale.**  While certain information may have been procured by MTA 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 MTA of any corrections prior to sale. Stakes engagements and all other information so listed are as represented by the Consignor, to whom the Purchaser shall look exclusively for redress in case of errors or omissions. Information contained in this catalogue concerning foaling place (by state or county) **does not** ensure eligibility to races restricted to horses bred and/or foaled in that particular state nor does it ensure the eligibility of any horse for any awards program sponsored by any state or other entity. **Notwithstanding** **any remedies the Purchaser may have as against the Consignor, in the**  **event of an inaccuracy or mis-description of any horse listed in this** **catalogue (including, without limitation, the wrong identity), Purchaser** **agrees that Purchaser’s sole remedy as against MTA, if Purchaser has** **any remedy against MTA, shall be liquidated damages in the amount** **of a refund of the commission earned by MTA, which shall only be** **applicable upon return of the subject horse, and Purchaser shall have no** **other remedy as against MTA arising out of any such inaccuracy or** **mis-description of such horse in the catalogue. In the event MTA is** **nevertheless required to refund the purchase price to Purchaser, MTA may recover said purchase price from Consignor, if same has been paid by MTA to Consignor.**

**Consignor and Purchaser agree to hold MTA harmless for any loss incurred by either Consignor, Purchaser or any third party because of (a) MTA’s failure to make such announcement or (b) incorrect announcements made.**

**SIXTEENTH**

**RIGHT OF EXCLUSION/BID REFUSAL:** MTA specifically reserves its common law right to exclude any persons whomsoever from the auction area and all lands owned or controlled by MTA. Notwithstanding any contrary provision(s) of these Conditions of Sale, if any, MTA further reserves the right to refuse to accept and/or reject and/or ignore any bid(s) from any persons(s) whomsoever, even if credit has been approved or even if payment is tendered or believed to be forthcoming. Provided, however, such exclusion and such refusal to bid(s) shall not be made based on race, creed, color, national origin, sex, political affiliation, or beliefs. By accepting the license granted to the public by MTA to attend the sales, everyone likewise agrees to be bound by this Condition of Sale.

**SEVENTEENTH**

**AGENTS:** Persons acting as Agents for Principals, irrespective of whether the Principal attends the sale, must file notarized letters of authorization from the Principal(s) stating that the Agent is acting on their behalf and that said Principal will be responsible for Agent sales or purchases. Failure to comply with this Condition of Sale will result in the Agent being deemed to be a co-obligor with the Principal with respect to all matters in connection with or arising out of the sale and impose joint and several personal liability upon such Agent for any breach of contract. MTA may, in its sole and exclusive direction, elect to accept a non-notarized authorization. In the event MTA accepts such non-notarized authorization which later is shown to be invalid, such acceptance by MTA shall in no way relieve such Agent of personal liability with respect to matters arising out of the sale.

All persons acting as Agents for Principal(s) also are responsible for ensuring that the Principal either has approved credit or makes settlement for the full purchase price for each horse purchased not later than sixty (60) minutes from the fall of the hammer. By signing the sales ticket, regardless of the form of the signature, a person acting as Agent agrees to be personally liable with the Principal, for the full purchase price of the horse purchased if the Principal does not either have approved credit or make settlement for the full purchase price within sixty (60) minutes of the fall of the hammer.

**EIGHTEENTH**

**DISCLAIMER OF IMPLIED DUTIES:** MTA shall endeavor to protect the interests of both Consignor and Purchaser, but the duties and obligations of MTA to such persons shall be strictly limited to those expressly imposed upon MTA by these Conditions of Sale. **All other duties and obligations,** **including fiduciary and other duties which might otherwise be imposed** upon **MTA by operation of law, are hereby expressly disclaimed,** **except that MTA shall be required to exercise that standard of care** **generally exercised by other comparable horse auction companies**.

**NINETEENTH**

**INSPECTION (INCLUDING THE 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 MTA’s 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. Bidders/Purchasers acknowledge presale exams may be conducted by physically viewing the horse, by video, by photos, and through an Agent. Bidders/Purchasers further acknowledge that if the presale exam is insufficient as determined in the sole discretion of the Bidder/Purchaser, said prospective Purchaser shall not bid on the horse.

**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 and all information placed by Consignor in the Repository.**

MTA 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 MTA.

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, except for the Consignors’ warranties per Condition NINTH (cribbers and ridglings only) and Condition TENTH (upper respiratory, laryngoscopic evaluation). Those limited warranties remain effective as more fully provided for and stated in Conditions NINTH and TENTH, 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 MTA, Consignor warrants that Consignor has deposited in the Repository all the required views mandated by MTA. Consignor further warrants the authenticity and validity of the views, and Consignor further warrants that radiographs submitted to the Repository were taken within 21 days prior to the horse selling.**

**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 views in the Repository that are not authentic and valid, and/or information in the Repository 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 sale is subject to Rejection at the option of Purchaser only upon complying with the time requirements and process set forth herein. Time is of the essence.**

**Veterinary Radiographic Reports.** All Purchasers acknowledge that (i) 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; (ii) such written reports are not a substitute for or the equivalent of a review of the actual radiographs; and (iii) per the recommendation of the A.A.E.P, radiographic interpretation for potential Purchasers should be performed by a veterinarian retained to represent that Purchaser’s personal interest with their particular needs and level of risk tolerance in mind. Veterinary Radiographic Reports, as addressed in this Condition, shall exclude any upper respiratory laryngoscopic evaluation or analysis of said evaluation. Purchasers are strongly encouraged to have their own veterinarian review the Repository information rather than relying on a Veterinary Radiographic Report prepared for Consignor, which Consignor distributes to or shares with Purchaser.

MTA will not review the Veterinary Radiographic Reports and makes no warranty or assurance of any kind concerning the authenticity, sufficiency, quality, completeness, or accuracy of the Veterinary Radiographic Reports. Knowledge of the Veterinary Radiographic Reports therefore shall not be imputed to MTA.

**In the event it should be determined that a Veterinary Radiographic Report was shared or distributed by Consignor to Purchaser, and said Veterinary Radiographic Report is not accurate, valid, or authentic in all material respects and the Veterinary Radiographic Report is deemed to be materially misleading regarding the condition of the horse, then the sale is subject to Rejection at the option of Purchaser only upon complying with the time requirements and process set forth herein. Time is of the**

**essence.** If Consignor elects to share or distribute a Veterinary Radiographic Report to Purchaser, Consignor shall submit a copy of said report to MTA, which MTA will retain for the duration of the sale for the sole administrative purpose of facilitating the Panel process, pursuant to these Conditions of Sale.

A Purchaser may elect Rejection only upon complying with the following: (i) written statement from Purchaser requesting Rejection must be received by MTA within twenty-four (24) hours after the session in which the horse is sold and before the horse leaves MTA sales grounds, and (ii) Purchaser’s veterinary certificate (“Negative Certificate”) must be received by MTA within twenty-four (24) hours after the session in which the horse is sold and before the horse leaves MTA sales grounds containing the opinion of Purchaser’s veterinarian (A) 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 and/or (B) describing in detail the specific information that causes the Veterinary Radiographic Report not to be accurate, valid or authentic in all material respects and the Veterinary Radiographic Report is deemed to be materially misleading regarding the condition of the horse. In the event of a Negative Certificate, Consignor shall either accept Rejection or deliver to MTA Consignor’s veterinary certificate contrary to that of Purchaser (“Positive Certificate”). The Positive Certificate must be received by MTA within twenty-four (24) hours of Consignor’s receipt of the Negative Certificate.

In the event of a receipt by MTA of a Negative and Positive Certificate, MTA 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. Seller, Consignor and Purchaser acknowledge that the selection process is fair and reasonable to each of them.

The Panel shall determine, based upon the information in the Repository and in the Veterinary Radiographic Report (if such report is at issue) whether there are facts and circumstances that cause the Repository information or Veterinary Radiographic Report not to be **accurate, valid, or authentic in all material respects 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 or** **Veterinary Radiographic Report (if such report is at issue) 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 sale shall be cancelled. Otherwise, the sale shall stand. The decision of the Panel shall be **final, binding, and conclusive** on all parties, absent fraud, or bad faith. If the Panel is not unanimous, a majority vote shall be determinative. MTA will not provide the Panel with information regarding the hip number, the name of the Purchaser or Consignor involved in the sale of the horse, or the name of the veterinarian who completed the Veterinary Radiographic Report at issue.

**In the event of Rejection, Consignor shall (i) refund the purchase price to Purchaser together with any proper and reasonable expenses incurred by Purchaser including interest at the rate of 12% per annum; (ii) pay MTA’s entry fees and commission as if the sale had been final; and (iii) reimburse MTA for any reasonable expenses incurred by MTA including without limitation attorneys’ fees. Further, if MTA determines, in its sole discretion, that Consignor (i) 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, or (ii) has shared or distributed a Veterinary Radiographic Report which Consignor had actual knowledge contained incorrect information which is deemed to be materially misleading regarding the condition of the horse, MTA 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 Rejection contained in this Condition shall terminate regardless of whether twenty-four (24) hours have elapsed, immediately upon the removal of the horse from MTA sales grounds, or use of the horse “under tack” (which includes lunging horses and horses being ponied). Consignor shall have the sole responsibility concerning the accuracy of the disclosures/announcements. Seller, Consignor and Purchaser agree that MTA is absolved from any liability relating to such announcements/disclosures and all agree to hold MTA 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 48 hours after the end of the session at which the horse in question was sold. However, MTA 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, MTA 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, MTA may elect to notify the Consignor (and/or the Consignor’s veterinarian, if known) of MTA’s intent to destroy or otherwise dispose of said Repository information 10 days after notice from MTA of its intent to take such action and MTA shall be held harmless by Consignor for any losses or expenses incurred as a result of MTA’s disposition of the items contained in the Repository.

**TWENTIETH**

**OWNERSHIP DISCLOSURE. The accurate ownership of horses in this sale is encouraged, but not required, to be disclosed by Consignors and/or Sellers. MTA will maintain an Ownership Registry where such accurate ownership may be disclosed at the option of Consignor and/or Seller. Any individual accessing the Ownership Registry (1) must present personal identification; (2) must be a registered Bidder/Purchaser, or such Bidder/Purchaser’s duly authorized Agent; (3) shall be required to sign a sworn statement that such individual has a bona fide interest in purchasing, as Principal or, if not Principal, then a representative of the Principal as approved by MTA, the horse whose ownership said individual examines, and (4) agrees to keep such ownership information confidential. In the event said individual violates this confidentiality obligation, said individual shall be subject to sanctions to be determined by MTA, in its sole discretion, which sanctions may include, without limitation, exclusion from use of the Ownership Registry. Further, if MTA determines that an individual is or may be accessing the Ownership Registry for purposes other than interest in buying a specific horse(s) at this sale, MTA may refuse access to the Ownership Registry to that individual.**

If there was a disclosure of ownership of a horse in this sale made in the catalogue and/or in the Ownership Registry, **a change in ownership, as** **defined below and including a fractional interest therein greater than** **10%,** from the time of being catalogued until the time the horse is sold at auction **is required to be disclosed** in the Ownership Registry, or by written disclosure to MTA of such change in ownership. The party to whom ownership is transferred is not required to be disclosed.

If a change in ownership occurs after the horse is on MTA sales grounds, regardless of whether there was a prior disclosure of ownership made in the catalogue or in the Ownership Registry, the Seller and/or Consignor shall disclose to MTA in writing that a change in ownership has occurred, and an announcement disclosing that a change of ownership has occurred shall be made by the auctioneer prior to the sale of the horse.

**It shall be the sole responsibility of the Purchaser to determine the sufficiency of the information available in the Ownership Registry.**

**The presence or use of the Ownership Registry shall not change any of these Conditions of Sale, which shall continue to be binding upon all parties.**

**In the event Seller or Consignor places information in the Ownership Registry or discloses information regarding ownership of a horse in the sales catalogue, the party placing such information warrants that the information is materially accurate. The Consignor shall not be responsible for materially inaccurate information supplied to Consignor by Seller, including, without limitation, information regarding change in ownership of a horse required to be placed in the Ownership Registry or disclosed to**

**MTA as provided herein, if Consignor does not have actual knowledge that the information is materially inaccurate or of the change in ownership. Information regarding ownership interest of 10% or less shall not be deemed material and change in ownership of 10% or less shall therefore not be deemed a change in ownership for purposes** **of this Condition.**

If determined by the Purchaser of a horse, subsequent to the sale of the horse, that (a) the information in the Ownership Registry or in the catalogue was materially inaccurate at the time of sale of the horse, or that (b) the Seller or Consignor failed to disclose to MTA, as required by this Condition, that there was a change in ownership prior to the sale of the horse, the Purchaser shall have the right to collect liquidated damages as set forth herein, from the Consignor and/or Seller, provided that (1) the Purchaser accessed the Ownership Registry regarding the subject horse; (2) the Purchaser has paid for the horse in full; (3) the Purchaser notifies MTA of its election to collect liquidated damages within six months from the date of sale of the horse; (4) the Purchaser establishes, by clear and convincing evidence, that there was a material inaccuracy in the Ownership Registry or in the sales catalogue at the time of sale of the horse that was not corrected by subsequent notice as required by this Condition, or that the Seller or Consignor failed to disclose to MTA, as required by this Condition, that there was a change in ownership prior to the sale of the horse; and (5) the Purchaser establishes, by clear and convincing evidence, that the party from whom the Purchaser seeks liquidated damages had actual knowledge at the time of the sale of such material inaccuracy in the Ownership Registry or sales catalogue, or of the failure to disclose change in ownership as required by this Condition.

Liquidated damages shall be 50% of the hammer price of the horse; provided, however, that Consignor’s liability hereunder shall be limited to two times the Consignor’s commission received for the sale of the horse. In the event the Purchaser prevails against both Seller and Consignor, Consignor shall pay Purchaser two times the Consignor’s commission received for the sale of the horse, and the balance of the 50% hammer price shall be payable by Seller. Any indemnity as between the Seller and Consignor for liability hereunder shall be as agreed between the Seller and Consignor. MTA shall have no obligation regarding collection of liquidated damages hereunder, which shall be handled under arbitration.

If any dispute arises under this Condition, the parties involved in such dispute agree to submit the matter to binding arbitration, in accordance with the rules of the American Arbitration Association. Arbitration shall be held in Shakopee, Minnesota. The non-prevailing party in the Arbitration shall pay the cost of the Arbitration proceeding and reasonable attorneys’ fees of the prevailing party or parties, including, without limitation, MTA’s costs, and reasonable attorney’s fees.

**TWENTY-FIRST**

**MERGER OF AGREEMENT; CONSTRUCTION:** The Consignor, Seller or MTA may have made oral statements or published advertisements concerning the physical condition or the racing abilities of the horses described in this catalogue or this sale generally. Such statements or advertisements do not constitute warranties, shall not be relied upon by the Purchasers and are not part of the contract for sale. The entire contract of sale is embodied in these Conditions of Sale, the Acknowledgement of Purchase and the Security Agreement, and the Authorization to Bid request (if any). These aforementioned documents constitute the final expression of the parties’ agreement and are a complete and exclusive statement of that agreement. Any attempt on the part of the Purchaser to unilaterally alter or modify these Conditions of Sale by making changes on the Acknowledgment of Purchase and Security Agreement is prohibited and shall be invalid and unenforceable. Notwithstanding the above, the Seller, Consignor and Purchaser may enter into an agreement which modifies the limited warranties as provided herein; however, any such action by the Seller, Consignor and Purchaser cannot and shall not modify or alter the duties, responsibilities and rights of MTA as provided in these Conditions of Sale and the Consignor’s Contract. The word “or” when used herein shall be used in the inclusive sense of “and/or”.

**TWENTY-SECOND**

**LIMITATIONS OF ACTION:** Any cause of action arising out of the purchase and sale of any horse, or interest therein at this sale, whether it is based in contract or tort, shall be commenced **in not more than one year after the sale.** **Provided, however,** this limitation of action shall not apply to an action for the recovery from the Purchaser of the purchase price, plus interest and expenses, and including repossession of any horses purchased at this sale.

**TWENTY-THIRD**

**GOVERNING LAWS; VENUE AND JURISDICTION; WAIVER OF JURY TRIAL:** The laws of the Minnesota shall govern theconstruction of these Conditions of Sale and the rights, remedies, and duties ofthe parties hereto. **In the event of any litigation arising out of these**

**Conditions of Sale or the transactions contemplated hereby, the parties agree that any action or suit shall be brought in a court of record in the Scott County, State of Minnesota, and the parties hereby consent to the venue and jurisdiction of such courts.**

The Seller, Consignor,Purchaser and MTA and their respective Agents, voluntarily andintentionally **waive any right that they may have to a trial by jury** in respectto any litigation arising from or connected with this Sale.