

CONDITIONS OF SALE

European Select Auction of Sport Horses 2021

GENERAL

The European Select Auction, LLC, a Kentucky limited liability company (hereinafter referred to as “European Select”), will serve as the auction house and as an intermediary between sellers and buyers of horses by auctioning horses to the highest bidder (the “Auction”). The Auction will take place online from March 6, 2021 to March 8, 2021.

The Auction is governed by these Conditions of Sale (“Conditions” or “Conditions of Sale”) and all oral or written announcements made in Catalog updates or online (“Announcements”). The Conditions and Announcements shall apply to all conduct by registered buyers and sellers before, during and after the Auction related to the horses offered for sale at the Auction as well as any agreements resulting therefrom including the Purchase and Security Agreement.

The Auction will be conducted with reserves; EUROPEAN SELECT and its agents maintain the right to bid in or establish a reserve on each horse (i.e., a price below with a horse will not be sold).

These Conditions are provided online prior to the start of the Auction and by participating in the Auction all buyers, sellers, agents and other participants of any type are hereby bound by and agree to the Conditions of Sale.

CATALOG AND VETERINARY RECORDS

The horses offered at Auction will be identified by pedigree, country of origin, sex, color and year of birth, in the Auction catalogue. European Select disclaims any liability with regard to pedigree, past performance records, health status, the athletic ability, soundness and future use of the horses to be auctioned.

Every effort has been made to assure correctness of the information in the Catalogue and the Announcements; however, European Select and the auctioneers shall not be responsible for errors or omissions and Seller/consignor shall be solely responsible for same and Seller/Consignor indemnifies European Select from any liability therefore. All statements and corrections announced at the time of the Auction shall supersede the Catalog. European Select shall have the right, in its sole and absolute discretion, to refuse to make any announcement requested by any person, and European Select shall have no responsibility or liability for the refusal or failure to make any announcement, or for the timing or contents of any announcement made.

The horses have each been examined and all X-rays have been reviewed by Dr. Antoine Peeters from PVS Sprl in Belgium. A complete set of X-rays and a veterinary clinical exam report along with video and photos or each horse are available online.

Prospective buyers are encouraged to carefully examine the horses and to conduct their own due diligence prior to the Auction and before bidding and obtain an opinion of a veterinarian of their choosing if they so desire. In such instances, the prospective buyer must make arrangements in advance with Sharn Wordley (650-303-3219) in order to conduct the examination. Once a prospective buyer bids, the buyer

is accepting the horse purchased “as-is” and with any and all faults as provided below and there is no right to conduct a pre-purchase veterinary exam after the final bid or return any horse once the final bid is accepted. ALL SALES ARE FINAL.

Buyers acknowledge that the Buyers have had the opportunity to inspect and examine each horse purchased or to be purchased, including arranging a trial, in advance of the auction. Buyers are solely responsible for the sufficiency and completeness of Buyer’s inspection. Failure of Buyer to inspect or sufficiently inspect a horse prior to placing a final bid will be at Buyer’s own risk. Once a final bid is placed, the successful bidder/Buyer personally guarantees payment of the final bid price to European Select.

INSPECTION OF HORSES

The horses of European Select will be available for individual public inspection in Ocala, Florida from approximately February 15-22, 2021 and in Wellington, Florida from approximately February 27-March 8, 2021. Exact dates for inspection and trial should be arranged with Sharn Wordley.

Inspections and trials must be scheduled online in advance and confirmed with Sharn Wordley (650-303-3219). Prospective buyers and their trainers or other agents are permitted to try a horse, or can ask for a riding demonstration.

Understanding the risks and potential dangers associated with horseback riding and related equine activities regardless of rider’s ability, all persons participating in trials and/or inspections hereby release, acquit, covenant not to sue and forever discharge European Select, and any and all of its owners, officers, directors, shareholders, employees, agents and anyone else directly or indirectly connected with the Auction, from any liability whatsoever, including all manner of suits, actions, demands, claims and liabilities which may arise from this activity, in the event of injury or damage of any nature (or perhaps even death) to a participant or anyone else caused by, or incidental to, participant electing to interact with, mount or ride a horse presented by European Select. Prospective buyers and their trainers ride and examine horses at their own risk. All riders must wear approved helmets at all time while mounted.

BIDDING. AGENTS. BIDDING DISPUTES.

Prospective bidders must register online and establish credit with European Select in advance of the Auction by submitting the Buyer Registration form online. All prospective buyers shall establish credit in advance with European Select and European Select may request information on the financial condition of a prospective bidder or Buyer and may decide to make acceptance of a bid conditional, based on the information received.

If bidders wish to use an agent, the agent must complete an Authorization of Agent form and file it with European Select. Any person failing to do so will be held personally liable for any bids as Buyer. An Agent is someone acting on behalf of a principal and who represents that principal, as seller or buyer, at the Auction. Such Agent owes a duty of good faith and loyalty to the Principal. If an Agent acts as a dual agent for both Seller and Buyer, the Agent must obtain written consent to do so from both parties pursuant to Kentucky and Florida law.

The horses will be sold during the Auction by bidding in U.S. Dollars with a minimum starting bid of \$30,000.00, unless such minimum is waived by European Select. Bids are to be made online only in minimum increments of \$2,000.00 or greater. Sellers may establish a reserve price (below which the horse will remain unsold) which must be communicated to the Auction no later than 2 hours prior to the sale of the horse, may bid in on Seller's own horse or may instruct the sales staff to do so. Reserves will not be published or disclosed by the Auction. Horses not reaching their reserve shall remain unsold ("RNA"). Any horse sold by Seller privately within 2 weeks of the Auction shall pay European Select the Seller's commission set by the Auction.

Prospective buyers bidding at the Auction will be held to their last and highest bid until a higher bid has been received. Each horse will be sold to the highest bidder (the "Buyer") and the Buyer shall sign a Purchase and Security Agreement immediately upon acceptance of Buyer's final bid. The Buyer is obligated to pay the final purchase price bid and personally guarantees payment of same. European Select reserves the right to reject any or all bids. In case of doubt concerning the validity of a bid, the previous bid may be accepted again, after which bidding can resume. In the event of any disputes arising with or during the bidding process, the decision of European Select shall be final and binding and not subject to appeal. European Select shall have no liability for any such action or inaction taken by the Auction.

SETTLEMENT OF AUCTION AMOUNTS AND EXPENSES. SECURITY INTEREST CREATED.

Immediately upon acceptance by Auction of bidder's final bid, the buyers is obliged to execute a Purchase and Security Agreement online and to pay the full purchase price within two (2) business days in the form of a wire transfer in immediately available funds. Each Buyer grants European Select a security interest in the purchased horse and all registration papers to secure payment and satisfaction of the purchase price and all other amounts owing to European Select until such time as all purchase prices and costs are fully paid. European Select may file a financing statements or other documents necessary to perfect, enforce, and give notice of the security interest created herein. Buyer agrees that European Select shall have all rights and remedies of a secured party pursuant to the Conditions of Sale and the Uniform Commercial Code or other applicable law.

If a Buyer should fail to comply with this obligation, European Select shall be entitled to rescind the sale, after which the purchased horse will again be made available for sale, publicly or privately, or alternatively, the horse may be sold to the second highest bidder. The Buyer shall in this event be considered to be in default of these Conditions of Sale and European Select shall serve the right to institute legal proceedings to recover any deficiency and for any damage and all costs incurred, without prejudice to any other rights that European Select may have.

The purchase price due and payable by Buyer shall be calculated as follows:

THE FINAL AUCTION BID BY BUYER, PLUS A 6% BUYER'S AUCTION FEE, PLUS FLORIDA SALES TAX OF 6.5%, unless the Buyer presents a valid sales or use tax exemption to European Select. Should any jurisdiction assess sales or use tax on any transaction, the payment of the sales or use tax shall be the sole responsible of the Buyer and Buyer shall indemnify European Sales for same.

European Select takes no responsibility and accepts no liability for the collection or remitting of any sales tax which may be applicable based on the buyer-seller relationship in any particular auction transaction.

Buyers and Sellers agree to indemnify European Select for any claims made against it by the state for any sales or use tax related to any Auction bid.

RISK OF LOSS. INSURANCE.

Buyers assume all risks related to the condition of the horse upon European Select's acceptance of the Buyer's final bid and at such time the Buyer assumes all risks, costs, liabilities, and responsibilities related to the purchased horse. The Buyer shall indemnify and hold harmless European Select from any claims brought by third parties. European Select shall maintain control of the purchased horse until the purchase price is paid in full and is cleared in the account of European Select.

Buyer assumes all risk of injury, illness or death of the horse purchased, commencing from the acceptance of Buyer's final bid. Buyer releases, discharges, waives and relinquishes any and all claims, liabilities, damages or losses of any nature whatsoever Buyer has, may have or hereafter may have against European Select, and each of their respective directors, officers, partners, shareholders, owners, employees, representatives, agents, sponsors or independent contractors (jointly and severally, the "European Select Released Parties") from, or arising out of, any description, identification, accident, sickness, disease, theft or death of any horse (and any in utero foal) purchased wherever or however the same may occur, including, but not limited to, any description, identification, injury, accident, sickness, disease, theft or death by reason of or caused by, whether in whole or in part, any alleged negligent or grossly negligent act, omission or conduct by or of any of European Select Released Parties.

TITLE AND POSSESSION

Title to the horse passes to the Buyer upon completion of payment of the purchase price and *the clearing of the funds* in the account of European Select. However, at the "fall of the hammer" or acceptance of the final bid, risk of loss, damage, and responsibility pertaining to the horse passes to the Buyer and insurance if desired should be bound immediately. The horse will be held by European Select as bailee for Buyer by European Select until Buyer makes payment of the purchase price as provided below, at which time title to horse shall pass to the Buyer. In no event shall payment be later than 48 hours after acceptance of the final bid. Horse must leave the grounds within 48 hours of payment of the purchase price.

The Buyer is obliged to pay in full and take possession of the purchased horse at the place and time as specified by European Select but in no event later than March 15, 2021 and upon presentation of a valid identification document. In no event shall European Select or any employee, agent or contractor be liable for any accident, sickness, injury, theft or death of a horse occurring after the final bid is accepted.

DISCLAIMER OF WARRANTIES

THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OR REPRESENTATIONS GIVEN BY EUROPEAN SELECT (OR ANY OF ITS OWNERS, EMPLOYEES, REPRESENTATIVES, AGENTS, SPONSORS OR INDEPENDENT CONTRACTORS), THE AUCTIONEER, IF ANY, CONSIGNOR OR SELLER OR ANYONE ELSE CONCERNING OR PERTAINING TO ANY HORSE OFFERED FOR SALE OR SOLD IN THE AUCTION, INCLUDING, BUT NOT LIMITED TO, AS TO THE SOUNDNESS; CONDITION; SUITABILITY FOR INTENDED USE OF PURCHASER, SUITABILITY TO BE TRAINED TO ANY PARTICULAR LEVEL OF COMPETITION; SUITABILITY TO BE BRED; PREGNANCY; BREEDING STATUS; BREEDING QUALITIES; FERTILITY; MERCHANTABILITY; FITNESS FOR ANY PARTICULAR PURPOSE; OR ANY OTHER QUALITY OR ATTRIBUTE OF ANY HORSE. ALL HORSES ARE

OFFERED AND SOLD "AS IS" AND WITH ALL FAULTS AND DEFECTS. BUYER IS BOUND BY ALL ANNOUNCEMENTS FROM THE AUCTION STAND AND ALL STATEMENTS MADE IN ANY PUBLICATION (INCLUDING ONLINE) REGARDING THE HORSE OR THE AUCTION.

Buyer acknowledges and agrees that there are numerous conditions, injuries, diseases, medical procedures, and other matters affecting horses for which no warranty is provided in these Conditions of Sale. The identity of the owner of any horse being sold is not warranted under these Conditions of Sale. The duties and obligations of European Select to Buyers, bidders and all interested parties are strictly limited to those expressly imposed upon European Select by these Conditions of Sale. All other duties and obligations, including, but not limited to, any agency, fiduciary duties or other duties which might otherwise be imposed upon European Select by operation of law or otherwise, are hereby expressly disclaimed, waived and relinquished by Buyers, bidders and all other interested persons. Without limiting the generality of the foregoing, European Select is not an agent or fiduciary of any Buyer, bidder or any other interested party.

PRIVACY NOTICE

Notice is hereby given to all participants at the Auction that European Select may record any or all portions of European Select's trials, horses, auction by video, audio or other means, which may be used by European Select in its sole discretion. By participating in the Auction, all participants acknowledge and grant permission of being photographed, filmed or recorded to European Select in European Select's sole discretion.

LIMITATION OF LIABILITY

As a condition of participating in the inspection, trial and auction, all participants fully release and discharge European Select for any liability for damages to persons or property arising prior to, during, or after the Auction.

DEFAULT

Should Buyer fail to comply with these Conditions of Sale, European Select may pursue any remedy available to it against Buyer, including but not limited to, bringing suit in court, taking possession of the horse and its registration papers, or reselling the horse at the Auction, another auction or privately. In any case, Buyer shall be liable for any deficiency after charging to Buyer's account all costs of maintenance and resale, including, but not limited to, service charges, attorney's fees, costs of litigation, and damages available at law to European Select.

CHOICE OF LAW; JURISDICTION; VENUE

The rights and obligations of the parties with respect to these Conditions of Sale, the conduct of the auction and any matters related to any of the foregoing shall be governed by and interpreted in accordance with laws of the Commonwealth of Kentucky, excluding its conflicts of law rules.

All bidders and Buyers agree to the exclusive jurisdiction of the (i) state courts of the Commonwealth of Kentucky and (ii) the federal courts of the Commonwealth of Kentucky to settle all disputes arising in connection with all aspects of all matters or transactions to which these Conditions of Sale relate or apply.

ENTIRE AGREEMENT; SEVERABILITY

These Conditions of Sale and all notices contained in the Auction catalogue, Purchase and Security Agreement, and/or Bill of Sale, further including but not limited to any announcement online or from the Auction stand authorized by these Conditions of Sale, and any other publication of European Select shall constitute the entire agreement of European Select and Buyers with respect to the subject matter hereof and shall supersede all prior or concurrent oral or written agreements, understandings, warranties, representations, and negotiations concerning the subject matter hereof.

None of the Conditions of Sale set forth herein shall be modified or waived except in writing signed by European Select and the Buyer. These Conditions of Sale, including headings of the paragraphs hereof, are for convenience only and shall not be a part of the agreement. If any provision or portion of these Conditions of Sale is held to be illegal or invalid, such illegality or invalidity shall not affect the remaining provisions or portions of these Conditions of Sale, and they shall be continued and enforced as if such illegal or invalid provision or portion had never been inserted herein.

TIME IS OF THE ESSENCE

Time is of the essence as to all of the Buyers obligations under these Conditions of Sale, including, but not limited to, making full payment of the purchase price in readily available funds, taking delivery and possession of horse(s), and removing horse(s) from the Auction site.

ATTORNEY FEES

In the event European Select is required to institute any action to enforce these Conditions including, but not limited to litigation in collection efforts, at trial or appellate proceedings or in bankruptcy, European Select shall be entitled to recover its reasonable attorneys' fees and related costs incurred or expended, in addition to any other remedies available at law or in equity.

WARNING – UNDER FLORIDA LAW, AN EQUINE ACTIVITY SPONSOR OR EQUINE PROFESSIONAL IS NOT LIABLE FOR AN INJURY TO, OR THE DEATH OF, A PARTICIPANT IN EQUINE ACTIVITIES RESULTING FROM THE INHERENT RISKS OF EQUINE ACTIVITIES.

WARNING – UNDER KENTUCKY LAW, A FARM ANIMAL ACTIVITY SPONSOR, FARM ANIMAL PROFESSIONAL, OR OTHER PERSON DOES NOT HAVE THE DUTY TO ELIMINATE ALL RISKS OF INJURY OF PARTICIPATION IN FARM ANIMAL ACTIVITIES. THERE ARE INHERENT RISKS OF INJURY THAT YOU VOLUNTARILY ACCEPT IF YOU PARTICIPATE IN FARM ANIMAL ACTIVITIES.

AUCTION CONTACTS

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