

CONDITIONS OF SALE for thoroughbred sales in Pardubice

The sale is organized by:

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Conditions of sale

A

General

I.

Pursuant to the Law no. 26/2000 Coll. on public sales, the sale is a voluntary activity. The sale is governed by the Law and the following conditions.

II.

Liability of the Organiser

The Organiser shall sell the Lot (horse or share therein) in the name and for the account of the Vendor by acceptance of a bid. The legal relationship that ensues upon purchase shall arise and exist exclusively between the Vendor and the Purchaser. By registering a Lot in the sale, the Vendor accepts these Conditions of Sale and, at the same time, agrees with the written Agreement of Sale pursuant to the § 19, article 1 of the Law.

III.

Liability of the Organiser

1. General

The Organiser shall be liable only for the proper performance of the Sale according to the conditions set forth herein. The liability of the Organiser shall be limited to intent and gross negligence.

2. Relationship with the Purchaser

No liability shall attach to the Organiser for deficiencies or defects in the Lot. The descriptions and particulars communicated from the rostrum, in the catalogue and in the entry paperwork are based on the information provided by the Vendor; the Organiser has not checked this information for completeness or accuracy.

3. Relationship with the Vendor

The Organiser shall not be liable for any statements made in the catalogue or during the Sale with respect to the Lot, where these are based upon information provided by the Vendor. Incorrect or incomplete information shall be immediately – if necessary while the Sale is in progress – corrected or completed by the Vendor. The Organiser cannot vouch for creditworthiness of the Purchaser.

IV.

Rights of the Organiser

1. a) The organiser is entitled:

- where justified to change the time, date or venue of the Sale, to suspend the Sale, to cancel the Sale without bringing it to a conclusion, to decide on a different location of the Sale or to

institute similar measures;

- to exclude individuals from participating in the Sale or entering the auction grounds or the stable area;
- to prohibit individuals from bidding;
- to reject or isolate any horse, even if it has already entered the auction venue or is stabled on the premises, if it transpired that it has not been properly vaccinated or is suffering from a communicable or contagious disease and to exclude any horse from the Sale which, for example, exhibits signs of injury and/or substandard feeding and/or grooming regime;
- to instigate any other measures as may be necessary or appropriate for the conduct of the auction.

2. The Organiser is entitled to reject a horse upon arrival and refuse its admission to the stables if the paperwork requested in the Conditions of Entry is incomplete or if any other document contains omissions.

In such an event the Vendor remains obliged to pay the fees owing under these Conditions of Sale or the Conditions of Entry less any costs the Organiser may save as a result. The Vendor retains the right to furnish evidence that the Organiser has incurred a lower loss. No further rights are owing to the Vendor. In particular, no rights of retention or possible claims of set-off shall be owing to the Vendor unless a judicial decision exists to this effect or such rights are recognized by the Organiser.

B

The Sale

I.

Character of the Sale

1. The Sale is public and voluntary. The Sale shall be conducted in public on the date specified and it shall be open to everyone.
2. The Lot shall be paraded during the Sale. It shall also be available for closer inspection by prospective buyers prior to the Sale at the times detailed in the sales catalogue.

II.

Substance and subject of the Sale

1. Owing to their age and associated individual development, the horses (foals, yearlings, horses in training, racehorses not in training, broodmares, sires) offered for sale at the auction are used goods for the purposes of the Law.
2. The Vendor shall sell via the Organiser only horses (subjects of the Sale) that by breeding satisfy the statutory requirements for participating (foals, yearlings, horses in training) in domestic and international performance tests (horse races) within the meaning of the rules of racing as specified by the Jockey Club of the Czech Republic, or for being used in thoroughbred breeding (broodmares, sires).
3. The liability for defects is governed by the legal norms, namely Law no. 40/1964 Coll., the Civil Code with amendments and Law no. 26/2000 Coll. on public sales.
4. This does not constitute a declaration of the lot's fitness for racing (foals, yearlings, racehorses) or quality of breeding (broodmares, sires). Horses are sold as things used. The seller is not responsible to the buyer for defects of the subject of sale related to wear that horses already displayed at the moment of sale. Therefore, the lot's suitability for use in racing and the quality of any use of the lot in breeding is not expressly or tacitly presumed under the terms of the contract. On the contrary, the fitness of the lot may be influenced by impediments that are not apparent on fall of the hammer and do not come to light until later, under specific circumstances, in training or when the lot is entered into races. Training itself puts high demands on the mental and physical capacity of the horse. At the time of the sale it is not certain whether the lot is able to cope with these demands. Experience shows that not all foals and yearlings, or racehorses, are capable of subsequently taking part in races and not all horses are capable of withstanding the pressures of training and racing in the long term. Similar applies to the lot's suitability for breeding.

5. The use of foals, yearlings and racehorses which is assumed in the contract appears only for preparation to racehorses (training) and is agreed. The use of broodmares and sires which is assumed in the contract appears only for use in breeding and is agreed.

6. Based on the information in the sales catalogue (in particular pertaining to pedigree, sex, colour and date of birth) and the additional traits exhibited by the lot, which can be ascertained during an inspection, the Purchaser must therefore consider and then decide whether they wish to exercise the opportunity of possibly participating in racing or in breeding by purchasing the lot. It is up to purchasers to inspect the horse themselves before the fall of the hammer or to have it inspected by a veterinary surgeon of their choice with respect to all the traits of importance to them.

7. If the horse is a windsucker or boxwalker, it is a material defect by the Law and the Vendor shall inform the Organiser in writing. The Organiser shall publish such information.

8. The Purchaser shall inspect the horse immediately on handover and notify the vendor without delay should a defect be found. If the Purchaser fails to notify the Vendor within 6 weeks, it shall be assumed in case of doubt that the defect was not present at the time of handover.

III.

Conduct of the Sale, bidding and fall of the hammer

1. Lots shall normally be paraded in the sales ring in the order listed in the catalogue. The Organiser shall be entitled, on justifiable grounds, to change the order, i.e. should a horse fail to appear punctually in the ring.

2. Bidding at the Sale shall be conducted in CZK as follows:

to CZK 40,000		in steps of CZK 2,000
from CZK 40,000 to CZK 100,000		in steps of CZK 5,000
from CZK 100,000 to CZK 300,000		in steps of CZK 10,000
from CZK 300,000 to CZK 600,000		in steps of CZK 20,000
over CZK 600,000		in steps of CZK 30,000

3. Minimum bid is:
- CZK 5,000

No bid shall be accepted beneath this minimum price during the Sale, even if the reserve price has not been set.

4. Auction is run by Auctioneer. Lot is knock down to participant who made highest bid.

C

Rights and duties of the Vendor

I.

Arrival of lots and Vendor's duty to inform

The arrival of lots takes place under the conditions of registration with all documents mentioned therein. The Vendor shall check that the statements made in the sales catalogue with respect to the Lot are accurate immediately on publication. Any amendments or additions shall be communicated, without and delay, to the Organiser, who is entitled to announce such changes from the rostrum during the Sale.

II.

Reserve price (minimum sale price)

1. The Vendor shall provide the Organiser with written notification of his reserve price in a sealed envelope no later than 2 hours before the auction. Verbal notifications of the reserve price or verbal or written increases thereof, especially during the auction, are inadmissible and shall not be entertained by the Organiser. The reserve price may be reduced only in writing. This shall be done early enough so that the Auctioneer can be informed.

2. Lots for which no reserve price has been specified in writing by the aforementioned deadline shall be sold „without the reserve price“. In such cases the auctioneer shall knock down the Lot to the highest bid, regardless of whether the bidder is a Purchaser or the Vendor wishing to buy back his or her own Lot.

3. If a reserve price has been submitted in writing, Vendors are not entitled to bid for their horses up to the reserve price or to permit others to bid for their horses on their behalf.

4. The Auctioneer is entitled to raise the bids to the level of the reserve price himself or to take horses out of the ring before fall of the hammer without announcing the reserve price.

III.

Retention of title

Title to the Lot shall remain vested in the Vendor until the purchase price including VAT and all other costs have been paid. For all payments not made in cash, the transaction shall be deemed to have been completed only once the relevant account has been credited. If the Purchaser pays the bidding price by the deadline (14 days after sale), the title to the Lot shall be transferred to him/her as of the moment when the bid was knocked down.

IV.

Liability

1. Vendors warrant to the Organiser that all the information they provide is complete, including entry paperwork, veterinary certificates and catalogue descriptions.

2. The Vendor and the Purchaser are jointly and inseparably liable for any fees and costs owing to the Organiser.

V.

Transfer of title, resale

1. Title to the Lot – and thus risks and income relate thereof – shall pass upon the Purchaser upon the fall of the hammer. The Vendor shall surrender the Lot of the Purchaser upon the fall of the hammer.

2. It is up to the Vendor whether to refuse or to surrender the pass out in accordance with E I Figure 3 and have the Lot put up for resale during the auction if, for example, the Purchaser fails to discharge his/her duties as fort at D I and II. The legal consequences of this decision shall be borne by the Vendor. If it is communicated to the Sales Office within 30 minutes of the fall of the hammer, the Organiser shall attempt to meet the Vendor's request and put the horse up for sale again; no obligation exists in this respect, however.

VI.

Costs

1. If the Lot is sold to a third party during the auction by the fall of the hammer, the Vendor shall pay the Organiser 2,5 per cent + VAT of the purchase price.

2. If no sale is made in the ring by the fall of the hammer, the Vendor shall pay the Organiser the following percent of the reserve price:

- a) by CZK 40,000 no charge
- b) from CZK 40,000 to 2 % + VAT

3. In the case the Vendor purchases the horse himself/herself at the auction, they shall pay the Organiser 2% + VAT of the purchase price.

4. If the contract between the Vendor and the Purchaser is cancelled after the fall of the hammer or if it is not performed for any other reason (e.g. as a result of being contested, withdrawn, or being made the subject of a court verdict), then the Vendor shall pay the Organiser 2% + VAT of the

purchase price, but no more than CZK 15,000 + VAT.

5. In the case a horse is entered in the sale and it is sold or transported abroad on behalf of a third party after it has been admitted to the catalogue, but before the actual day of the auction, the Vendor shall be charged with the amount relating to the Purchaser's fee and in accordance with the actual sales price. The Vendor is obliged to inform the Organiser, immediately and without further notice, of the sales and sale price. The Organiser is entitled to assess the sales price without consulting an expert whenever the Vendor fails to communicate the sales price despite repeated notice.

6. All the aforementioned fees shall apply alongside the entry fees referred to in the Conditions of Entry.

D

Rights and duties of the Purchaser

I.

Naming of name and acknowledgement of the Contract of Sale

1. The Purchaser shall furnish his/her full name and address to the Organiser immediately after the Lot is knocked down to them. They shall submit an ID card.
2. Further, the Purchaser shall confirm in writing on the form provided by the Organiser that he/she has read the General Terms and Conditions of the Auction prior to the fall of the hammer, is in agreement therewith, and, in particular, is familiar with the purpose of item sold and its special traits.
3. In signing the purchase confirmation, the signors declare in writing their liability for meeting the obligation in the contract.

II.

Costs / Payment of the purchase price

1. The Purchaser shall immediately pay the purchase price plus associated subsequent costs and sums:
 - a) the knocked down price + statutory VAT of the purchase price,
 - b) fee of 5% + VAT of the purchase price to the Organiser.
2. The Vendor and the Purchaser are jointly and inseparably liable for the fees and costs owing to the Organiser.
3. Payment for Lots shall be made at the accounting place of the Organiser immediately after the fall of the hammer for the relevant Lot. Payments, however, can be made in the following manner: :
By a banking transfer to the account of the Organiser or the Vendor. Payments over CZK 300,000 shall be done exclusively in this way. The payments shall be credited to the accounts in 14 days from the day of the auction, i.e. by October 24, 2015. Organizer do not accpet credit cards, cheques, etc.
4. If the box of the Lot is not vacated by 11 p.m. of the auction day, the Purchaser shall be charged CZK 500 per day plus potential transport costs.

E

Miscellaneous

I.

Implementing of the Contract of Sale

1. The passport for each horse brought to the auction shall be held in the custody of the Organiser's representative.
2. The horse is not handed over by the Organiser. After being knocked down, the sale purchase is

handed over by the Vendor to the Purchaser in which process they may seek the assistance of the Organiser. The latter shall then hand out a pass ticket to and instruct the purchaser accordingly. In the case of the Vendor being in doubt concerning the Purchaser's ability to pay, they have to inform the Organiser accordingly and in due time. This is most important in the case of the vendor linking the handover of the horse to the Purchaser meeting his obligations and paying beforehand (see D II). The decision to refuse to issue a pass ticket for the Purchaser can be made exclusively by the Vendor. In case there are no objections on the part of the Vendor, the pass ticket and the instructions are generally handed out by the Organiser. The respective horse's passport, however, shall only be handed out after the purchaser has met all his/her obligations, especially making the full payment. The pass ticket s to be presented to the yard security, especially if the horse is to leave the yard.

3. The Vendor is obliged to keep the horse in his/her custody until the Purchaser takes possession of it. The head collar shall also be released to the Purchaser. The Purchaser is obliged to take possession of the horse immediately upon the fall of the hammer.

II.

Agents

1. Agents shall provide the Organiser with a written letter of authorisation before the Auction commences. The letter shall include

- a statement of the principal to the effect that the agent is entitled to issue statements and act in the name and for the account of the principal, in particular to sell or purchase Lots and commit the principal under these Conditions of Sale to release or take receipt of the Lot and accept or effect payment of the purchase price.
- a statement by the principal confirming he is aware of and unconditionally accepts these Conditions of Sale.

2. Should the Vendor fail to submit the letter of authorisation, the Organiser is entitled to exclude the horse from the Sale. If the Purchaser's letter of authorisation is not submitted, the Organiser is entitled to refuse to knock the Lot to the agent. The agent shall in any case be liable as a representative.

III.

Notices

The attention of both Vendors and Purchasers is drawn to the fact that a veterinary surgeon shall be available to act at the expense and for the account of persons requesting his/her service.

IV.

Concluding provisions

1. If any of the aforementioned provisions are or become invalid, or if they contain an omission, the remaining provisions shall not be affected as a result. The invalid provision or omission shall be replaced by a valid condition that corresponds to the aims of the Contracting Parties as closely as possible in commercial, civil law and tax-law terms. Otherwise, the relevant statutory provisions apply..

2. The law applicable to the foregoing conditions shall be that of the Czech Republic.