



CONSIGNMENT CONTRACT

PLEASE READ BEFORE SIGNING

1. Sales Company is hereby appointed as Owner's agent to sell each horse consigned, with full authority to transfer title thereto, to receive the proceeds of sale for Owner's account, and to distribute sales proceeds as Sales Company reasonably believes to be appropriate. Owner is solely responsible for the correct identity of each horse consigned, and of the accuracy of any and all information regarding each horse in the sales catalog. Owner agrees to review all information and to report any material inaccuracies or omissions to Sales Company prior to sale.
2. Owner warrants title and ownership of each horse consigned, free and clear of any liens or adverse claims whatsoever except those which Owner communicates to Sales Company in writing prior to sale.
3. The entry fee for each horse consigned will be paid when this contract is submitted, and the entry fee will be fully earned and non-refundable when Sales Company accepts this contract. A five percent (5%) commission will be charged on final sale in excess of amount covered by entry fee.
4. Owner may withdraw in writing any consigned horse prior to assignment of the catalog hip number. Thereafter, Owner may withdraw any consigned horse if it is unfit for sale due to material veterinary reasons acceptable to Sales Company upon presentation of a notarized veterinary certificate stating the specific condition of the horse which necessitates withdrawal. If Owner sells any consigned horse prior to the auction or withdraws or fails to present any horse for sale at the auction for reasons other than as authorized above, Owner agrees to pay Sales Company as liquidated damages five percent (5%) of the greater of Sales Company's appraised sales value or the minimum commission specified herein.
5. Owner agrees to have all horses consigned on the sales premises by the time specified by Sales Company in its notice to consignors regarding the sale. Any horse consigned continues in the Owner's care, control, custody and possession for all purposes, whether on or off the premises of the Sales Company, until it is taken by purchaser in exchange for a stable release issued by Sales Company or as otherwise authorized by Sales Company or Owner. Sales Company has no responsibility for the care or custody of any horse consigned, including the providing of veterinary or other care, but Owner hereby authorizes Sales Company to take such action, without liability on its part, should such action be deemed reasonably necessary by Sales Company.
6. Forty (40) days after date of sale, Sales Company will remit the net proceeds of Owner's consignment; provided that Sales Company shall not be required to remit the net proceeds of sale of any horse: (1) that is the subject of a dispute or claim by the purchaser or any third party, or (2) in the event of default by purchaser in payment of the purchase price, until such dispute, claim or default is resolved and the sales proceeds have actually been received by Sales Company. Sales proceeds received by Sales Company but not remitted shall not earn interest for Owner's account, nor shall any sales proceeds not received by Sales Company owing to a dispute, claim or default earn interest for Owner's account.
7. Sales Company shall have, in its sole discretion, the right to (1) reject at any time any horse consigned; (2) determine the order of sale; (3) assign or change stabling assignments; (4) change the date or location of the sale; and (5) make announcements at time of sale concerning any horse consigned.
8. All information concerning sales prices, incidental and consequential sales expenses, the existence and amounts of liens, charges and other claims, and the final payment of accounts with respect to buyers, sellers, breeders and consignors shall not be deemed to be confidential in nature. All parties agree that Sales Company may, but shall not be required to, disclose such information without incurring liability to any party.
9. Owner indemnifies Sales Company from all claims, liabilities and expenses, including reasonable attorneys' fees, arising out of or relating to any breach of this contract by Owner, including, without limitation, claims relating to ownership of any horse consigned, the priority of payment of sales proceeds, and the distribution of sales proceeds as Sales Company reasonably deems appropriate. In order to secure payment for all commissions, costs, expenses and damages, including reasonable attorneys' fees, provided for in this contract or for any other monies owed by Owner to Sales Company arising out of other transactions, Owner grants to Sales Company a security interest in the horse(s) consigned under this contract and any applicable JCC(s) or Stallion Service Certificate(s), and the products and proceeds thereof. Owner appoints Sales Company as Owner's attorney-in-fact to prepare, execute and file any Financial Statements or other documents necessary to perfect the security interest granted herein and Sales Company shall have all rights and remedies of a secured party pursuant to this Contract and the Uniform Commercial Code.
10. If someone other than Owner is executing this Contract as agent for Owner, the agent shall have obtained an Agent's Authorization and Owner and agent shall be jointly and severally liable for all obligations arising hereunder in favor of Sales Company.
11. Owner represents that he or she has read all provisions of this contract and agrees to be bound by them and the Conditions of Sale which govern this sale.

Owner or Authorized Agent Signature _____ **Date** ____ / ____ / ____