

Rules for the Auction of 13 & 14 September 2016 to be held at the Centro Ippico Etre - Busto Arsizio (Va)

Conditions of Sale

ITS is charged by the Vendor to present and sell horses at a public Sale, which is held subject to the Conditions of Sale and the Special Rules for the Purchaser set out below.

Anyone intending to take part in the Sale as Vendor, Bidder or Purchaser and Agent is required to read and conform to these Conditions.

GENERAL CONDITIONS

1- DEFINITIONS

Terms that are listed with capital letter have the following meanings also if pluralized.

ITS means I.T.S. Italian Thoroughbred and Trotting Sales s.r.l. Vat Number 06488291003), company that organizes Horse Sales.

Vendor means the owner of the horse which is entered for the Sale.

Bidder means the person who participates to the Sale offering a Sale price.

Purchaser means the highest bidder to whom a Lot is knocked down by the fall of hammer.

Sale Centre means the place in which the Sale is held.

Sale Director means the person who directs the Sale.

2- CATALOGUE

Information on genealogy of yearlings entered for the Sale is given in the official catalogue.

ITS declines all responsibilities for any incorrect information contained in the Catalogue, being understood that ITS has done its utmost to ensure that the information contained is correct.

In particular, an initial review identified 75 yearlings based on promising genealogical and morphological characteristics. The aforementioned yearlings will be subjected to x-ray examinations upon the hind legs, conducted by Dr. Nicolas DeMitri, official veterinarian of I.T.S. srl.

The x-rays will be made available to all those who may be interested before the commencement of the Sale and said x-rays will be considered as viewed by the purchaser. For this reason discrepancies based on future x-rays are null and void

The Vendor must inform ITS in writing at least two hours prior to the Sale of any catalogue errors or omissions and also of any important information to come to light after the print of the catalogue so that these can be reported by the Auctioneer to those taking part to the Sale. These reports shall take priority over the information incorrectly given in the catalogue.

The Vendor who fails to give this information is directly responsible for any relative consequences to the purchaser. The Vendor in addition to accepting the present Conditions, guarantees and releases ITS against any claim from the Purchaser or third parties who, in any case, hereby agree not to take action against ITS. ITS is entitled to decide the order in which the horses are listed in the catalogue.

3- CERTIFICATES AND HEALTH

Horses entered for the Sale have to be accompanied by the following documents:

Passport issued by UNIRE

Health Certificate from the ASL Veterinary

Certification showing the negative result of Coggins-test (i.e. Equine anaemia) issued in the year written on the passport as per law.

Certification of anti-influenza vaccinations indicated in the passport according to the rules of Unire

Tag of the product administered, with date of administration, reason and place of vaccination, Stamp and Signature of the Veterinarian.

The absence of the passport is justified only in the case Unire declares in writing to the Vendor or ITS, that is in the course of being sent.

In this case the Vendor must exhibit:

Copy of notice of foaling on stamped paper from Unire, with payments and attachments

Markings and microchip number

Declaration which releases ITS from any responsibility for the absence of these documents from the Vendor. The documents must be delivered to the ITS offices upon arrival of the horses in the Sale centre, before unloading them from the horse van, to allow The Veterinarian appointed by the Sale organization, to check and verify the health of the horses.

The Vendor must ensure that the yearling is presented and sold at the Sale without redhibitory defects pursuant to the Commercial Uses of the Province of Milan.

Since the offer of a Sale Price from a potential Purchaser it follows that he acknowledges the before said information and the horse as he found it in good health.

All Yearlings entered for the Sale are sold under the conditions in which they are found “viewed and liked”.

4- PARTICIPATION

Those wanting to attend the Sale as a Bidder must register to the ITS office. Participants acting on behalf of a third party, when registering, must show a written delegation to be approved by ITS: of his obligations in quality of an agent, he is responsible as well as the mandator and will be held responsible of the payment of the Sale price if the mandator does not adhere to his responsibilities.

ITS reserves the right to turn down any registration of unwelcome people and to refuse any offer from people who have not previously shown any financial credit.

5- HANDLING YEARLINGS

Vendors are required to guarantee the presence of their staff to look after the yearlings. At a predetermined time the aforementioned staff shall guide yearlings to the presentation “ring”.

The yearlings cannot be removed from their boxes or leave the Sale Centre unless written authorization granted and signed by ITS.

6- SALE PROCEDURE

For the Yearlings will pass by the hammer of the auctioneer during the Top Section (**From Lot 1 to Lot 75**) without reserve. **Minimum Bid : € 5.000, 00**. For the Yearlings will pass by the hammer of the auctioneer **from Lot 76 to Lot 151 without reserve Minimum Bid : € 2.500,00** The reserve price is determined by the auctioneer, who is also entitled to establish bid increments which will be communicated to anyone in attendance of the Sale.

The Purchaser is the one who bided the highest price in the moment of the fall of hammer.

Bids made and recognized after the fall of hammer cannot be accepted.

If a dispute arises because of a simultaneous and identical bid for the same horse, and the auctioneer believes the objection to be founded, the yearling will be put back up for Sale at the last bid price, and all those present will be able to continue to make bids for the yearling. If no further bid is forthcoming the yearling will be sold to the person making the highest last bid.

The decisions of the Sale Director regarding possible bidding and knockdown disputes will be binding and final.

7 – PAYMENT OF SALE PRICE

The Sale is considered complete when the hammer is brought down by the auctioneer. Immediately thereafter the Purchaser must sign a purchase confirmation form and go to the ITS office to make the payment and to complete any other formalities, including tax obligations.

ITS reserves the right to film and/or photograph purchasers and agent while they sign the before said form. The hammer price plus VAT and any other payment due must be paid within 30 minutes from the knockdown to ITS, expressly authorized by the Vendor, in cash or by Money Order. The latter may be accepted upon the consent of the Vendor and in any case “subject to collection”. If the Purchaser fails to comply with the above payment terms, ITS may cancel the knockdown and the yearling will be put back up for Sale in accordance with necessary time constraints. If for any reason this is not possible, the yearling will be returned to the Vendor.

Registered Bidders may, at the unquestionable discretion of ITS, make use of available financial instruments to guarantee extended payment. Any payment besides cash or money order will undergo a mandatory subscription of an insurance on the Yearling's life, with ITS as beneficiary until the full payment of the price of the yearling purchased.

In case of missed payment from purchasers to vendors, I.T.S. Srl shall not be considered as responsible

ITS will liquidate to the Vendor the proceeds of the Sale within 90 days upon receipt of regular invoice and after having made due deductions and adjustments, at the condition that all the documents of the yearling are in order and held by ITS office.

Payments to people other than ITS, including Vendors, agents or representatives, do not constitute in any way a valid payment. Payments must be made in Euros. Should the above mentioned conditions not be maintained, the interests will be calculated in the same way of the initial rates plus 3% from the date of invoice.

8 – OWNERSHIP TRANSFER

All the documents of the horses have to be put at the disposal of ITS office from the moment the horse is participating in the Sale, and will be given to the Purchaser at the moment of payment. The ownership transfer will be made only after the payment of the Sale price plus rights, or upon receipt of a written declaration from the Vendor that releases ITS from the obligation of paying the price.

9 – SALES RIGHTS

The purchaser will pay to ITS a net fee of **6% + VAT** of the knockdown price of the yearling, undertaking to make this payment along with the purchase price and agreeing, together with the vendor, to give priority to this payment.

ITS is authorized to retain the above mentioned sums that will be liquidated by the above mentioned terms. Any disputes arising between the parties have no bearing on the right to payment as per the present point.

10 – GUARANTEES, RISKS, LIABILITY

Yearlings must be sold without ITS providing any guarantee or assuming any liability, it will however offer all necessary assistance for the successful outcome of the sale.

ITS declines any liability regarding the Sale of the horse: Vendor and Purchaser will be responsible for the guarantees relative to the yearling and for payment, being understood what stated in article 6). In any case ITS is entitled by the Vendor to act against the Purchaser to get payment.

All risks related to yearlings, accidents and damage, including fire-related, that may happen to them and possible risks to third parties shall be borne by the Vendor until the fall of the hammer for the Sale, and by the Purchaser from that time on, with ITS declining any and all liability.

ITS remains alien to all disputes that may arise for any reason between the Purchaser and the Vendor and between these two parties and third parties.

11 – DRUGS

The use of anabolic steroids and anti-inflammatory substances that may conceal taints or lesions is prohibited; allowed only in emergency situations, must be declared and duly motivated. Before the yearling leaves the Centre the purchaser may ask for controls to be undertaken, at his expense; if tests are positive, he may terminate the contract as per law provisions.

12 – CUSTODY AND CARE

The Vendor hereby acknowledges and agrees that the yearling will remain under his exclusive custody and care up until the fall of the hammer or, in the event of non-sale or objections, until the yearling's removal from the Sale Centre.

The yearling must be removed from the centre by the purchaser no later than the date after the Sale. In the event of non-sale the breeder will see to its removal. **In the event of sale, the purchaser must completely take over from the vendor from the moment of the fall Hammer and he will be civil and criminal liable, even without the ownership transfer.**

Concerning Custody and care for the horses participating the sale, ITS follows the rules and regulations set up by the Italian Ministry of Public Healths regarding in this subject.

13 - DEFECTS AND DISPUTES

If the redhibitory defects contemplated by existing legislation are not detected prior to the Sale, the purchaser must send, within the deadline set forth in the Commercial Uses of the province, a letter by certified mail with acknowledgment of receipt directly to the vendor with medical-veterinary certification stating the defect and a possible request for a double check, also informing ITS thereof in order to seek the freezing of payment, keeping the relative sum in a non-interest-bearing deposit that will be liquidated upon agreed indication from the purchaser and the vendor or after other measures have been adopted to resolve the dispute.

The defect must be highlighted within 24 hours from the sale and anyhow before the horse is removed by the sale's area, with the mandatory obligation to communicate it to ITS, thus empowering ITS to be present during the examination with a chosen veterinarian. In case of contrast both parties agree to proceed, as previously mentioned, with the sharing of veterinary expenses together with those expenses the organizational body had to incur.

In the case of prolonged disputes, the parties must subject themselves to judicial arbitration of an "Arbitration College" comprised of three members, of which one to be nominated by ITS, one by the Vendor, and one by the Purchaser. The said Arbitrage will be adhered to by article 808 ter c.p.c., and will take place in Milan. Expenses incurred to settle the dispute must be met by the loosing party.

If the loosing party is the Vendor and therefore the Sale is cancelled and the yearling is to be returned, the vendor is required to meet all expenses incurred by the purchaser from the time of the accepted bid.

ITS is not required to have knowledge of and/or vouch for redhibitory defects of products; the checking of any defect after the sale of the yearling musts have no bearing on the right of the foregoing company to receive its relative fee.

14 – PRIVATE SALE

Any sale concluded between a vendor and a Purchaser within 30 days following the date of the Sale at which a Lot was unsold or brought in, is subject to the Conditions of Sale. Both Vendor and Purchaser will have to pay to ITS the sale's expenses on the sale's price declared. To both parties the sale's expenses will be applied as above.

15 – COURT HAVING JURISDICTION

The court of Milan shall have jurisdiction for any disputes between ITS, the Vendor and the Purchaser, being understood that which is stated in point 13 regarding relationship between vendor and purchaser.

16 – SPECIAL RULES FOR PURCHASERS

- a) To take an active part in the Auction all interested parties need to register in advance with the Auction Secretariat. I.T.S. reserves the right to turn down registration applications from unwelcome persons. I.T.S. reserves the right to revoke at any time any previously granted registration and to reject bids from buyers that have not agreed to pay for previous purchases within 30 minutes of the knockdown.
- b) Persons not usually operating in the sector or foreign buyers must be introduced by a known person that will vouch for them or must send in a timely manner to I.T.S. a bank guarantee covering any purchases (facsimile available from I.T.S. offices).
- c) Payment of the amount due shall be effected in cash or by bankcheque. Acceptance of a/c cheques is at the discretion of the Auction Secretariat.
- d) As soon as the auctioneer's gavel falls the successful bidder shall sign the "purchase commitment and confirmation" form handed to him by officials, and agree to be filmed or photographed while doing so. Thereafter he shall go to the Auction Secretariat to complete all accounting and fiscal obligations: payment of hammer price and auction fees; reporting of all data for invoices and ownership transfer. By signing an ad hoc form, foreign buyers undertake to pay via bank transfer the amount payable within 10 days of purchase and to declare the exporting of yearlings for the purposes of Instrastat billing.
- e) Non-signature of the "purchase commitment and confirmation" form, non-payment within the terms allowed by the present Rules shall be causes for non-fulfilment. In this case the vendor is entitled to recover possession of the yearling for which the buyer has not complied with one of the three aforementioned obligations.
- f) I.T.S. shall consign to the buyer the "sale notice" form signed by the vendor only after the payment has been correctly effected.