

CONSIGNOR'S CONTRACT

Please read before signing! This form MUST BE SIGNED AND RETURNED with your consignments!

To: Minnesota Thoroughbred Association
1100 Canterbury Road
Shakopee, MN 55379

For good and valuable consideration, including the entry of the horses herein listed in the 2010 MTA Yearling Sale (the "Sale"), the undersigned consignor ("Consignor") hereby agrees to be bound to the following terms and conditions:

1. Consignor hereby warrants that title and ownership of each horse, or interest therein, entered by Consignor is as further specified in this Contract, and further warrants that the title thereto is free from any liens, mortgages or encumbrances except as Consignor shall otherwise notify the Minnesota Thoroughbred Association ("MTA") in writing, at least 72 hours prior to sale date. In such event Consignor agrees to furnish written consent of any lienholders to sale and full agreement of all interested parties concerning disbursement of sales proceeds. If said consent and agreement is not so received, MTA may, in its sole discretion, refuse to allow the horse(s) to be sold and Consignor shall be responsible for any unpaid entry or withdrawal fees as provided in paragraphs 2 and 3 herein. Consignor further agrees to defend said title against all conflicting or adverse claims not fully disclosed to MTA in writing prior to sale. Consignor further covenants and agrees to indemnify and hold MTA harmless from any and all costs, liabilities, incidental and consequential expenses, including reasonable attorneys' fees, incurred because of or arising out of any question of title or any disputes concerning identity and/or engagements of any and all of the named horses included hereon, or resulting from any liens, attachments or claims against the net proceeds from the sale thereof. If this form is executed by an agent, the agent shall be individually responsible for and shall indemnify MTA for all damages arising out of any failure to set forth the full and correct ownership of each horse or for any lack of authority to execute this Contract on behalf of all owners. Consignor warrants the correct identity of all horses sold by Consignor in this Sale and that all title to, interest in, and possession of the named horses shall remain with Consignor until title passes to buyer or buyers at the time of sale. Consignor appoints MTA as Consignor's agent in this Sale with full authority to transfer title, to receive the net proceeds of such sale for Consignor's account and to distribute such proceeds of sale to Consignor and such other parties as MTA reasonably believes to have an interest in the proceeds and in such priority as MTA reasonably believes appropriate. Consignor further covenants and agrees to indemnify and hold MTA harmless from any and all costs, liabilities, incidental and consequential expenses, including reasonable attorneys' fees, incurred because of or arising out of any issue of the distribution of sales proceeds by MTA to me or to any such other parties as MTA may deem appropriate.
2. Consignor agrees to pay MTA the \$350 entry fee stated herein, of which \$200 will be applied to 5% commission. Entry fee shall be nonrefundable except as provided herein. Consignor further agrees to pay to MTA a 5% commission of the final accepted bid by whomsoever made or of any written reserve, on each horse sold or bid in for Consignor's account. Consignor further agrees that the 5% commission may be deducted and retained by MTA from any of Consignor's accounts and that MTA may retain said fee and commission on chargebacks from any and all proceeds from whatever source which may be payable to any of Consignor's accounts, including any portion of proceeds due Consignor for Consignor's commission and expenses. In the event of a deficit in Consignor's account relating to any chargeback commission, Consignor shall immediately pay to MTA the balance due. MTA shall charge a late charge of 1½% per month in the event the deficit is not paid within thirty (30) days of the Sale. MTA shall retain a lien in all proceeds in any of Consignor's accounts for any unpaid fees or commission on chargebacks and MTA shall further retain a lien in The Jockey Club Certificate of Foal Registration ("JCC") and hold said JCC for any such horses which are chargebacks until such commission has been paid in full or until any deficit in Consignor's account has been paid in full.
3. Consignor shall have the right to withdraw any or all of the horses named hereon at any time prior to the assignment of the hip number for the publication of the catalogue, with such withdrawal to be made in writing. Consignor agrees that horses listed hereon which arrive on the sales grounds will be presented for sale at the time scheduled unless excused by MTA due to a change of physical condition in the horse occurring during transportation to or after arrival at the sales grounds. Any request for excused withdrawal shall be accompanied by a veterinary certificate stating in detail the reason for the withdrawal. MTA may appoint a veterinarian of its choosing to examine the horse for which withdrawal is requested and the opinion of MTA's veterinarian as to whether there is a valid reason for withdrawal shall be binding and conclusive on all parties. The failure to offer the horse for sale after arrival on the sales grounds, unless excused by MTA, will result in an out fee to the Consignor in the amount of \$1,000, plus the 5% commission due on the final sale price of the horse. Consignor acknowledges by execution of this agreement that MTA distributes its catalogues to potential buyers who may make arrangements to be present at the MTA Sale because of horses listed in the catalogue and acknowledges the credibility of the MTA Sale is diminished if catalogued horses are withdrawn without excuse. In the event any horse listed hereon is withdrawn from the Sale after the assignment of the horses' hip number for publication in the sales catalogue but prior to arrival on the sales grounds, and which is not excused thereafter by an acceptable veterinary certificate, Consignor shall pay MTA 4½% of its fair market value at the time of withdrawal, as liquidated damages, in addition to the entry fee. Further, in the event the horse so withdrawn is sold at a public or private sale any time after hip numbering and within three months after this Sale, MTA shall, in its sole discretion, have the option of deeming that sales price to be the fair market value of the horse at the time of the withdrawal from this Sale for purposes of establishing the fee. If consignor does not pay MTA said fee prior to the sale of Consignor's consignment, Consignor agrees that MTA may retain said fee from any and all proceeds payable to Consignor's account from this Sale or any other sale. The parties further agree that the establishment of damages in the event of withdrawal is difficult to determine and accept and acknowledge that the liquidated damages set forth herein are fair and reasonable. MTA shall retain a lien in all proceeds in Consignor's account for any unpaid withdrawal fee and MTA shall further retain a lien in the JCC and hold said JCC for any such horses withdrawn from the Sale as provided above until such withdrawal fee has been paid in full.
4. Consignor agrees that MTA shall have the right and sole and absolute discretion to extend credit to the purchaser of any horse sold by Consignor in this Sale. Consignor further agrees that, in the event the successful bidder for any horse or horses entered by Consignor in this Sale fails to present himself to MTA to arrange for settlement as provided for in Condition Four of the Conditions of Sale, or should such bidder on presenting himself be determined to not have approved credit by MTA, such horse or horses may immediately be put up for sale for Consignor's account and MTA shall not be liable for any deficit should the final bid on resale be less than that on the initial sale. Consignor further agrees that, should conditions make immediate resale as herein provided impossible or impractical, as determined by MTA in its sole discretion, the horse or horses may be returned to Consignor as unsold with a waiver of sales commission by MTA. Consignor further agrees that MTA shall not be liable for any deficit and therefore MTA retains the right not to pay Consignor in the event a purchaser defaults and that any payment, in whole or in part, by MTA despite any purchaser's default shall not constitute a waiver nor establish a custom and shall not abrogate MTA's right to withhold payment from Consignor in any case where the purchaser has defaulted.
5. Consignor agrees that MTA reserves the right to (a) reject any entry at any time for such reason as MTA shall deem appropriate, in its sole discretion, and MTA shall then return any entry fee paid only if the rejection is without reasonable cause; (b) determine the order of sale of all entries; (c) assign stabling facilities in its sole discretion (and MTA shall have no obligation to assign the same or similar stabling facilities which may have been assigned to Consignor at previous sales); (d) change the time or date of this Sale or to cancel same should MTA, in its sole discretion, so determine; (e) set a minimum bid (upset price) for the horses sold in this Sale, in its sole discretion and (f) refuse to sell any horse by auction if MTA has knowledge that said horse has been sold privately prior to said auction.
6. Consignor agrees to deliver to MTA by consignment entry deadline, the original JCC for each horse listed in Sale. MTA shall have the right to refuse to sell any horse for which all certificates or other papers are not delivered. Consignor shall furnish original Health and Coggins certificates for horses accepted for this sale on

the sale entry day. Coggins certificate to be dated within 6 months of the selling date. Also, health certificates will be required for all horses before they sell dated within 10 days of the sale. If this Agreement is executed by an agent, the agent agrees to be jointly, severally, and personally liable with his principal for furnishing the documents provided for herein, and thus will be personally liable for all damages resulting from failure to furnish the aforesaid documents and agent further agrees to hold MTA harmless for all such damages.

7. For the yearlings entered, Consignor represents and warrants to MTA that, to the best of Consignor's knowledge, each horse entered by Consignor is free from disease and is sound and suitable for training and racing. In the event any horse entered by Consignor has a condition or defect which is covered in the limited warranties contained in the Conditions of Sale which govern this Sale, Consignor agrees to notify MTA in order that appropriate announcements will be made prior to this Sale.

8. Consignor will adhere to the Uniform Sale Policy for Medication, Prohibited Practices, Riding Crops and Horseshoes as follows:

- **Medication:** Medications may only be administered at or below manufacturers recommended dosages. The medication policy and testing procedures will be administered according to the guidelines of the sales company subject to state regulations.
- **Restrictions:**
 1. No more than two (2) non-steroidal anti-inflammatory drugs (NSAIDS) may be administered.
 2. No more than one (1) cortico-steroid may be administered.
 3. No bronchodilators, including but not limited to Clenbuterol and Albuterol, may be administered within 72 hours of the Under Tack Show or Sale.
 4. No exogenous anabolic steroids or their esters are to be administered within 45 days of sale.
 5. The following medications may ***NOT*** be administered on the sales grounds:
 - all substances classified as either Class 1 or Class 2 by the Association of Racing Commissioners International (ARCI)
 - Furosemide (Salix or Lasix)
 - Procaine Penicillin
- **Prohibited Practices:** The following are not permitted on the sales grounds:
 - Extracorporeal Shock Wave Therapy or Radial Pulse Wave Therapy
 - Acupuncture and/or Electro-Stimulation with the intent of altering laryngeal function.
 - Electrical devices designed or used to increase the speed of a horse.
 - 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 is not permitted at any time.

• **Minimum guidelines:**

The MTA will adhere to and enforce the minimum standards presented in this document. More restrictive policies may be adopted at the discretion of the MTA.

9. Consignor will be responsible for the care, custody, control and security of each horse consigned by Consignor until the fall of the hammer.

10. MTA reserves the right to exclude any horse from entering the sales ring which has been judged by a veterinarian to be physically unfit for sale.

11. All information concerning sales prices, incidental and consequential sale expenses, the existence and amount of liens, charges and other claims, and the final payment of accounts with respect to buyers, sellers and consignors shall not be deemed to be confidential in nature. All parties agree that MTA may, but shall not be required to, disclose such information without incurring liability to any party.

12. In the event this contract is executed by an authorized agent, such agent shall identify the true owner of the horse on this entry and in the Consignor's Authorized Agent Form which must be filed with MTA with the entry form. Agent warrants that he has actual authority to execute this Contract on behalf of all owners of the horse. If the agent's principal(s) is not disclosed, agent acknowledges that he and his principal shall have full liability and responsibility, jointly and severally, arising out of the entry and/or sale of the horse(s).

13. If Consignor desires to make any announcements or set a reserve price on any horse listed herein, Consignor must make such request in writing and submit it to the MTA office no later than 3:00 p.m. on the day of the sale. Oral reserves shall not be accepted. Consignor agrees that MTA is absolved from any liability if these procedures are not strictly followed. Consignor is solely responsible for having such announcements made and for their accuracy and Consignor hereby releases and holds MTA harmless from any errors and omissions including MTA's own negligence in making or failing to make any such announcement. In the event MTA received conflicting instruction from Consignors and/or owners, MTA may elect not to recognize a reserve price in its sole discretion. Each party in that instance may then bid to protect his interest in accordance with the Conditions of Sale.

14. Consignor agrees to be bound by the decision of the arbitration panel in the event a purchaser elects to commence an arbitration proceeding as provided in the Conditions of Sale.

15. Consignor has read the above conditions and accepts them. Furthermore, Consignor agrees to abide and be bound by all other established rules and regulations under which MTA conducts its business, specifically all warranties and covenants contained in the Conditions of Sale which govern this Sale, Consignor further acknowledges that MTA's Conditions of Sale may be from time to time amended as MTA deems appropriate in its sole discretion. The Conditions of Sale that appear in the sales catalogue for this sale shall be controlling. Consignor further acknowledges that MTA may waive various portions of its requirements from time to time, and in that event, Consignor understands and agrees that such waiver shall not constitute any custom which shall bind MTA to make any similar waiver in the future. Consignor acknowledges that Consignor is solely responsible for the accuracy of all information provided herein and all information provided to MTA and that Consignor has the affirmative duty to examine the catalogue page(s) on which horses consigned by Consignor appear, prior to the Sale, (and any information regarding the horses listed on the website) and to report any inaccuracies to MTA so that it may make an appropriate announcement at time of this Sale.

16. Consignor agrees to indemnify and hold MTA, its directors, officers and employees, and Canterbury Park, its directors, officers and employees, harmless from any and all claims, losses and damages, including attorneys' fees, arising from (a) MTA's settlement of Consignor's account and payment of proceeds of this Sale; and (b) all other activities connected with this Sale including, but not limited to (i) the use of Canterbury's facilities by Consignor and Consignor's agents and employees; (ii) the making (or the accuracy) of all announcements made prior to this Sale; (iii) the resolution of disputes relating to the condition of the horse(s) and any limited warranties relating thereto; or (iv) any other action taken by MTA in either implementing or upholding either the Conditions of Sale or this Contract.

17. If the Consignor is executing this contract as agent for the owner of the horse(s) listed herein, both agent and owner shall be jointly and severally liable to MTA for all such obligations arising hereunder. By execution of this Contract, Consignor, in his capacity as agent or owner, accepts the terms of the Agreement and the Conditions of Sale for any and all horses which Consignor may enter.

Date Signature