

TERMS OF AUCTION, ELITAUCION 2011

Auctioneer: ASVT:s Trottex AB (Trottex)

GENERAL

The sale is done according to Swedish customary auction practice. The seller is responsible for the horse until the blow of the hammer, after that the buyer is responsible. The seller is responsible for giving out the horse. The sales are done in the numerical order of the catalogue. The lowest bid accepted is **50.000 SEK**. If bid is given during the blow of the hammer or a dispute regarding a given bid occurs after the blow of the hammer or the buyer is not approved, no legal purchase has been made, and after Trottex decision, the horse may be put up for sale again. The above also applies if any technical problems occur during the blow of the hammer or if Trottex's staff have made any mistakes. In case of a consumer purchase according to par 1 of the Swedish Consumer Purchase Act, this law will be applicable for the purchase. The buyer shall sign the contract of auction on the day of auction. Bidding brokerage of 5% and statutory Value Added Tax (VAT) will be added. Transportation to and from the place of auction is done by own means of transportation and at own expense. Both sellers and buyers undertake to leave horse in transport no longer than one hour within the auction area and auction parking area. Trottex is not responsible for any incorrect statements in the auction catalogue. Trottex disclaim any and all responsibility for any damage that might occur on deposited horses during the time the horse is staying in the facilities used by Trottex for the auction. Trottex is not liable for any damages, direct or indirect, in the event of the auction having to be stopped, cancelled or rescheduled.

The Personal Particulars that is given when entering and participating in the auction primary will be used to effect the auction and the sales due to the auction. In addition to that Trottex may use the Personal Particulars for marketing campaigns, offers, new products and services. Such marketing may be effected through advertising, direct mail, e-mail or any other way. Personal Particulars may also be transferred between Trottex and any other company in the same group of companies. Due to such transfer the Personal Particulars may be transferred outside The EES-community. By participating or entering the auction one approves and agrees according to the Personal Particulars Act (1998:204) that The Personal Particulars (such as, among others, personal code and address) may be used as hereby stated. The given approval can be recalled in part or as a whole by a written message to Trottex. If the approval is recalled and Trottex thereby without difficulties can't perform or comply, Trottex may deny to perform and deny participation in the Auction. Further information regarding Trottex treatment of Personal Particulars may be obtained from Trottex.

CONDITION OF HORSES

The horses are sold in condition as presented. The rules of par 19 in the Swedish Purchase Act shall not apply. Defects on horse may only be addressed on grounds and within time specifically stated below under the headline condition of horses and complaints. A veterinary protocol of inspection, no older than 7 days, shall come in original and copy with the horse. In case the protocol of inspection can't be found posted at the stable box Trottex shall be contacted so that the prospective buyer can attain a copy of the protocol. Trottex reserves the right to deny auction horse to participate in the auction if the horse is showing symptoms of decease, not handles well or is in poor condition.

CONDITIONS BETWEEN TROTTEX AND THE SELLER

The seller is responsible for all statements made regarding the respective horse. Registration certificate and filled in form regarding change of ownership shall be sent to Trottex no later than two weeks prior to auction. The seller is responsible for that the veterinary certificate (no more than seven days old in original and copy), the X-ray certificate (in original and copy) and horsepassport comes with the horse on the day of auction. The original shall be handed to Trottex, the copy shall be posted at the stable box of the horse. Trottex reserves the right to formulate the presentation at the auction. The seller's rights concerning the right to purchaseprice according to this contract is conveyed to Trottex. The seller is responsible towards Trottex as to that the horse will not be given out unless distribution certificate has been attained.

In case a seller consider Trottex liable due to a dispute regarding a given bid a claim shall be made to Trottex as soon as possible and at the latest before the end of the auction day.

The seller approves 30 days credit to by Trottex approved credit customers. The credit risk in this part, as well as when seller otherwise leaves credit, runs with the seller.

AUCTION RACE

All horses participating in Trottex auction catalogues as one year olds are eligible in auction race as two year olds and three year olds provided all fees are paid. Time for payment and fees are specified in these terms of auction. Auction races will be arranged at Solvalla in the week of Svenskt Travkriterium for two year olds and in the week of Elitloppet for three year olds. There will be one race for fillies and one for geldings and stallions for two- and three year olds. In case of too many registered horses for the races, the races may be divided as well as the purse. The races can only be divided once, if more horses are registered for the race ST's (Svensk Travsport) rules will determine which horses will start. If not enough horses register for the races, Trottex and Solvalla reserves the right to merge the filly race to the other race. Other terms of the auction race will be determined by the rules of the race.

REGISTRATION FEE

For members of ASVT (Swedish Breeding Association) the registration fee is 6.000 SEK. The registration fee will be billed and shall be paid before the final date stated in the invoice. Interest on overdue payment will be charged with 16 % yearly interest. A stake fee to the auction race, of 1.000 SEK, will also be added to the invoice. If the registration is cancelled in writing before 2012-02-27 only 750 SEK will be charged per registered horse. If the registration is cancelled in writing before 2012-03-28 only 5 000 SEK will be charged per registered horse. If the registration is cancelled after 2012-03-28 the charge will be 20 000 SEK per registered horse. If the registration is cancelled after 2012-03-28 the registration fee will be repaid only if the horse died, verified by a death Certificate approved by Trottex. If the registration is cancelled due to an acute or contagious disease which is verified by a veterinary certificate approved by Trottex and the horse is registered for- and completes the Kriterieauction, no other remedy, besides another stake fee of 1.000 SEK shall be charged. The veterinary- and death certificate shall be at the hands of Trottex no later than at the day of the auction. If a horse does not attend the auction or death certificate is not handed to Trottex the registration fee shall still be paid in full to Trottex plus a penalty of 20.000 SEK and another stake fee of 1.000 SEK. If a horse has to be cancelled on the day of the auction the personal at Trottex secretariat shall be contacted. If no contact is taken with the secretariat a penalty of 20.000 SEK and a stake fee of 1.000 SEK is to be paid to Trottex. **The account will be sent 65 days after the auction when sample is taken for analysis of use of anabolic steroids. If no such sample is taken the account will be sent 45 days after the auction.**

FORCE MAJEURE

** The auction can be moved after Trottex decision because of force majeure such as war, strike, contagious decease, natural catastrophe or other event outside the realm of Trottex control. If new auction can't be held within two months after the appointed time the auction agreement ceases to be in force between the parties. **

COMMISSION

A commission fee of 5 % is charged for the part of the purchase sum between 0 - 100.000 SEK (excluding VAT). For the part of the purchase sum above 100.000 SEK (excluding VAT) a commission fee of 3 % is charged.

If the seller buys his own horse back a commission fee of 5 % of the sum is charged for the part of the sum between 100.000 -300.000 SEK (excluding VAT). For the part of the sum above 300.000 SEK (excluding VAT) a commission fee of 10 % is charged. For horses that are bought back by the seller or remains unsold a stake fee of 1.000 SEK per horse has to be paid.

CONDITIONS BETWEEN BUYER AND SELLER, CONDITION OF HORSES AND COMPLAINTS

Any complaint/dispute will be settled directly between the buyer and the seller. Trottex is not liable for any damages due to incorrect information or incorrect statements given at any time regarding the horses.

The seller is only liable for hidden defects and only if the defect will effect the horses ability as a trotter. The buyer may only claim liability for hidden defects if the buyer within 30 days from the auction performs a veterinary inspection/X-ray and forwards a written complaint that is received by Trottex within 30 days from the auction.

Irrespective of the above, the buyer may claim liability for hidden defects if the horse has tested positive using anabolic steroids. This providing the sample for analysis has been taken no later than the day of auction and a written complaint has been received by Trottex no later than 60 days from the auction.

Thereafter no demands can be made towards the seller unless the seller has acted fraudulent.

If the horse is returned, the buyer will pay for the transportation to the seller. The buyer will pay all other expenses, which might have occurred after the blow of the hammer, such as training fees and the like, until the horse is returned. If the horse is returned, the horse still will be considered as sold, commission fee, bidding brokerage and stake fee shall be paid. Any disputes will be conducted directly between the buyer and the seller. The buyer is consequently obliged to accept that the seller will replace the auctioneer as a party in any claims. The seller is not responsible for damage which might strike another animal or human beings through a contagious decease, which the animal was carrying at the time of the sale and which the seller had not noticed nor should have noticed through careful inspection in connection with the delivery. The buyer is aware that additions to the auction statements can be left by the speaker as well as through postings in the auction hall. Information given in these ways is valid against the buyer. If complaint/dispute is reported to Trottex according to the above, Trottex has the right to withhold payment in full at the buyer's request until the dispute is settled.

CONDITIONS BETWEEN TROTTEX AND THE BUYER

CONDITIONS OF PAYMENT

The Sale is made when the Buyer to Trottex pays either;

1) by being granted Credit by Trottex. An application for Credit is to be sent to Trottex and is to be granted by Trottex no later than the day of the auction. 2) by charging the Buyers account at Trottex. The Auctionaccount can be applied and granted by Trottex. The account shall be granted by Trottex before the Auction. 3) by bank money order/bankdraft (Swedish). 4) by check (Swedish). Providing the horse is kept at the horse hotel with wich Trottex co-operates until the check has been cleared. The stay at the horse hotel is on the byers expense. The seller can give his approval of immediate delivery of the horse irrespective of the check has been cleared or not. The risk in this part runs with the seller.

In case Trottex does not grant a Buyer Credit the Seller himself may grant the Buyer Credit. Providing the horse is kept at the horse hotel with wich Trottex co-operates until payment in full has been made. The seller can give his approval of immediate delivery of the horse irrespective of payment in full has been made or not. The risk in this part runs with the seller. The stay at the horse hotel is on the byers expense.

Note, Trottex does not accept cash payment during the auction day.

If purchase is made on credit, insurance has to be taken out. Such insurance is automatically taken out at the insurance company with which Trottex co-operates, but the horse can be insured with another company during the day if desired. It rests upon the Buyer to keep the horse insured until full payment has been made.

If Buyer, who purchases auction horse by bid and signs the auction agreement, does not pay in full no later than the Monday nearest after the auction and does not sign an instrument of debt approved by Trottex, is obligated to pay damages to Trottex at an amount of 10 % of the purchase price, at least 20 000 SEK. Penalty interest of 16 % per year will be charged from the Monday nearest after the auction.

When an instrument of debt is signed but the horse is not paid no later than 7 days after the agreed upon date of payment, Trottex has the right to take the following steps: 1) Cancel the purchase. If the purchase is forfeited the Buyer is obligated to pay damages at 10 % of the purchase price, at least 20 000 SEK. 2) Recover the claim in full with Trottex as agent for the seller.

BIDDING BROKERAGE

When purchasing by bid the buyer will be charged the purchase-price and an additional 5% of the purchase price as bidding brokerage and thereafter VAT will be added. The bidding brokerage goes to ASVT:s Trottex AB. In addition to the bidding brokerage a stake fee of 1.000 SEK has to be paid at the same time as the bidding brokerage.

RESERVATION OF TITLE CLAUS

The seller reserves the right to repossess sold animal and any offspring until the seller has received payment. This right to repossess is transferred to Trottex when Trottex has granted credit until the buyer has paid in full. **The horse will not be given out until payment in full has been made** or a credit agreement has been reached.

COLLECTION OF HORSE

The buyer has the right to collect the horse upon production of distribution certificate. However according to the above the responsibility for the horse is transferred to the buyer at the blow of the hammer.

FOREIGN BUYERS

Exportation fee of 1.500 SEK will be added for foreign buyers. For foreign buyer who will export the horse within a month of the date of the auction and who has notified the secretariat that the horse will be exported, the VAT will be refunded when the certificate of exportation has reached Trottex, under the prerequisite that the certificate of exportation reaches Trottex no later than 30 days after the date of the auction and if Swedish law allows.

All sums are stated excluding VAT. VAT will be added.