

**The Lusitano Collection International Horse Auction
Terms and Conditions of Sale
2010**

FIRST

THESE CONDITIONS GOVERN THIS SALE: This sale is governed by these Conditions of Sale and by all announcements from the auctioneer's stand or otherwise ("Announcements"). **Interagro Lusitano Collection USA, Inc. (the "Seller") and all buyers, prospective buyers, veterinarians, and all other interested parties and all sales are therefore bound by and subject to the provisions of the Conditions of Sale as set forth in this catalogue and Announcements. The auctioneer is Tom Biederman ("Auctioneer"). The Auctioneer's Florida Auctioneer license # is 4661064. This is a binding, enforceable contract.**

Presale Exam: All prospective purchasers are urged to **carefully examine and/or ride the horses** in which they may be interested in, either personally and/or by their agents, representatives, or veterinarians of their choosing **BEFORE bidding** as they are accepting any horse purchased with all faults, including all conditions and defects.

Agent: All prospective buyers who utilize agents are further urged to reach an agreement with the agent concerning the agent's apparent or real conflicts of interest and disclosure of the agent's compensation, if any, from whatever sources, directly or indirectly, relating to or arising out of, the agent's services. *It is unlawful to pay or receive money or any item of value in connection with the sale or purchase of a horse except with full disclosure and written consent of both purchaser and seller; provided, however, this prohibition shall not be applicable where the agent is acting solely for and compensated solely by his principal.*

SECOND

APPLICABLE/GOVERNING LAW; RESERVES: The horses included in this sale are offered for sale according to the laws of the State of Florida which shall be controlling and apply in all respects. **All horses are being sold WITH RESERVE.** Should a horse not reach its reserve that is determined solely by the Seller prior to the time which the horse enters the auction ring, Seller shall maintain ownership and control of the horse. All purchasers therefore agree and acknowledge that Seller has the right to set reserves implemented by the Auctioneer which are not disclosed to purchasers. Seller also has the right to conduct by-bidding as related to its entries.

THIRD

WARRANTY DISCLAIMER: THERE ARE NO WARRANTIES EXPRESS OR IMPLIED BY THE SELLER OR THE AUCTIONEER AS TO THE MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY HORSE OFFERED IN THIS SALE. ALL SALES ARE MADE ON AN "AS-IS" BASIS, WITH ALL FAULTS AND DEFECTS. PURCHASER UNDERSTANDS, AGREES AND ACCEPTS THAT ALL HORSES ARE BEING SOLD WITH ALL QUIRKS, IDIOSYNCRASIES, PERSONALITY TRAITS, AND ALL PHYSICAL OR MENTAL CONDITIONS (KNOWN OR UNKNOWN), WITH NO WARRANTIES OF ANY KIND, AND THAT SAID PURCHASER IS RELYING SOLELY UPON THE REPRESENTATIONS AND ADVICE GIVEN BY HIS/HER OWN VETERINARIAN, ADVISOR, OR AGENT IN MAKING A DECISION TO PURCHASE ANY HORSE FROM THIS AUCTION.

FOURTH

RESOLUTION OF BIDDING DISPUTES: Should any dispute arise between or among two or more bidders, the Auctioneer shall forthwith adjudicate the dispute, and his decision shall be absolute, final, and binding on all parties. Bids received after the fall of the hammer are not grounds for dispute. Bids acknowledged by bid spotters employed by the Auctioneer are recognized as if tendered to Auctioneer, but in case of dispute, the bidding on the horse shall be forthwith reopened for advance bids, and if there be no advance, the horse is sold to the person from whom the Auctioneer recognized the last bid. In case of any dispute, advance bidding shall be restricted to the contending parties, but should the recognized bid be reduced below the bid of commencement of dispute then the bidding is reopened to all bidders, regardless of whether this final bid exceeds the bid which was disputed. The bid recognized at the conclusion of any bidding dispute shall be deemed the sale price ("Hammer Price" or "Purchase Price") and Seller shall not be entitled to any amount over this amount, but for taxes as set forth below. The Auctioneer reserves the right to reject any or all bids. In the event the bidder who had the highest and last bid at the fall of the hammer fails or refuses to sign the Bill of Sale and Security Agreement ("Bill of Sale") when presented to said bidder by the Auctioneer, bidspotters or Seller designees, the Seller may elect, at its sole discretion, to either enter the horse or withdraw the horse entirely from the sale.

FIFTH

MISSED RESERVES: The Auctioneer shall use his best efforts to adhere to reserves timely placed by the Seller. In the event a horse is sold to a Purchaser for less than the reserve, the Auctioneer's liability shall be limited to paying the Seller an amount not to exceed the reserve on the sale.

SIXTH

PASSING OF TITLE; RISK OF LOSS; DELIVERY: Except as provided in this Condition SIXTH, title and risk of loss pass to the Purchaser at the fall of the Auctioneer's hammer, at which time Purchaser shall be responsible for the care, custody, control and security for the horse and for all expenses relating thereto. The Hammer Price for each horse is the "Purchase Price" for that horse.

After the Auctioneer announces the conclusion of the auction, the Seller shall, using the loud-speaker, begin calling the Purchasers either in chronological or alphabetical order, to the location designated as the "Sales Office" for the purposes of finalizing and processing the sales. All successful Purchasers shall be required to visit the Sales Office to finalize their purchases when called by the Seller. In the event of any oversight or failure of the Seller to call a Purchaser to the Sales Office, the Purchaser shall be nonetheless required to visit the Sales Office and ensure that the Purchase Price, Deposit, Sales Tax Payment, and/or other such payments are paid in accordance with the terms defined and set forth below no later than midnight on Saturday, February 27, 2010. The Sales Office will be closed during bidding so that all prospective buyers may enjoy the event.

The horse will be held for Purchaser by Seller until Purchaser makes settlement as provided at Condition SEVENTH below. All **Non-Credit Purchasers** (defined in Condition SEVENTH) must pay the Purchase Price in full, including the Sales Tax Payment (defined in Condition SEVENTH) not later than midnight on Saturday, February 27, 2010. All **Credit Purchasers** (defined in Condition SEVENTH) must ensure that 10% of the Purchase Price plus the Sales Tax Payment are paid by midnight on Saturday, February 27, 2010. The Purchase Price, or remaining 90% of the Purchase Price, must be paid in full by the Credit Purchaser no later than Wednesday, March 3, 2010.

Stable Release: All auction horses will be kept at the site of the auction (Jim Brandon Equestrian Center) on the day of the sale and through 12:00pm on Sunday, February 28, 2010. After 12:00pm on Sunday, February 28, 2010, all auction horses will be stabled at Martin Down Equestrian Center and White Fences Equestrian Center (the "Stables"). For all horses purchased at the auction that will be leaving the State of Florida, Seller shall arrange and secure transportation of any such horse. However, Purchaser shall be responsible for reimbursing Seller for the costs of the transportation no later than Wednesday, March 3, 2010. Pending reimbursement, Seller shall keep the separate check addressed to Seller for the Sales Tax Payment (see Condition Seventh) and shall be entitled to deposit same if the transportation costs are not reimbursed.

After payment has been received in full by Seller, Seller shall execute a "Buyer's Invoice" for each horse purchased. Such Buyer's Invoice shall indicate each horse's hip #, name, color, sex, and Purchase Price, and shall also state the Purchaser's name and that the Purchaser has paid in full. All Purchasers must present a Buyer's Invoice prior to removing any purchased horse from the Stables or auction site. No Purchaser may remove a purchased horse from the Stables or auction site without a fully executed Buyer's Invoice.

Purchasers who have paid the Sales Tax Payment and have paid for their horse(s) in full may pick up their horse(s) from the auction site before 12:00 pm on Sunday, February 28, 2010 or the Seller shall transfer the horse to the Stables at Purchaser's risk and expense. Unless other arrangements are made with the Seller in writing, Non-Credit Purchasers who have paid the Sales Tax Payment and have paid for their horse(s) in full must remove their horse(s) from the Stables before Wednesday, March 3, 2010, or they will be deemed to have abandoned their purchase(s), the Purchase Price and Sales Tax Payment. Unless other arrangements are made with the Seller in writing, Credit Purchasers who have paid the Sales Tax Payment and have paid for their horse(s) in full must remove their horse(s) from the Stables before Friday, March 5, 2010, or they will be deemed to have abandoned their purchase(s), the Purchase Price and Sales Tax Payment. In no event shall any Purchaser be permitted to transport their purchased horse(s) from the auction site or Stables until such purchase(s) are paid in full and the Sales Tax Payment is made. If any horse is not purchased for failure to meet its reserve or otherwise, Seller is solely responsible for stabling arrangements of such horse.

SEVENTH

BIDDING; TERMS FOR PAYMENT; REMEDIES UPON DEFAULT: **Bidding Paddle:** All purchasers shall complete a registration/credit application with the Seller not less than 30 minutes prior to the start of the auction in order to obtain a bidding paddle. No person shall be allowed to bid on a horse unless s/he has a bidding paddle registered in his/her name, or the name of his/her principal. All prospective purchasers understand and acknowledge that the Auctioneer will not recognize any bid unless it is obtained by a bidding paddle.

Terms and Forms of Payment: Immediately following the fall of the hammer, the Auctioneer, bidspotter or Seller designee shall present a Bill of Sale to the purchaser which shall state the horse purchased (by catalogue entry number), the Purchase Price, and the Seller's lien on the horse and its registration papers pending payment in full. Purchaser shall sign said Bill of Sale, and then take said Bill of Sale to the place designated to make payment. Purchaser shall make all payments to the Seller's designee for the purchase of any horse at this auction.

Purchasers wishing to pay by way of a corporate or personal check, or through credit, must provide to Seller or its designee on or before February 19, 2010 a Letter of Credit from a recognized bank. The Letter of Credit must be in substantially the same form as found on the Seller's website (<http://lusitano-interagro.com/collection/buyer.htm>). Within three (3) business days of receipt by Seller or its designee of said Letter of Credit, the Seller or its designee will advise the Purchaser in writing whether it will accept this Letter of Credit.

For those who wish to pay using cash or cashier's/certified check ("Non-Credit Purchasers"), full payment of the Purchase Price plus Florida's State Sales and Use Tax in the amount of 6.5% ("Sales Tax Payment") must be made no later than midnight on Saturday, February 27, 2010. Those who wish to pay using previously approved credit (as set forth in the preceding paragraph) or via credit card ("Credit Purchasers"), such Credit Purchasers must pay by way of cash, personal/corporate check or credit card 10% of the Purchase Price ("Deposit") plus the Sales Tax Payment no later than midnight on Saturday, February 27, 2010. For such Credit Purchasers, the remaining 90% of the Purchase Price must be paid via bank wire transfer or credit card no later than Wednesday, March 3, 2010. All major credit cards are accepted. Seller shall keep care, custody and control of the Credit-Purchasers' horses bought at the auction until full payment has been made by the Credit Purchasers. The Seller shall provide Credit Purchasers with wiring instructions at the time when the Credit Purchasers pay the Deposit and Sales Tax Payment.

All Purchasers shall be required to pay the Sales Tax Payment. The Sales Tax Payment shall be made separately from the payment of the Deposit and/or Purchase Price. If the State of Florida requires the Seller to collect and pay sales tax for any horse purchased at the auction, the Seller shall be entitled to deposit the Sales Tax Payment into the Seller's account and utilize such Sales Tax Payment to comply with the tax laws of the State of Florida. If the State of Florida does not require the Seller to collect and pay sales tax for any horse purchased at the auction, the Sales Tax Payment shall be returned to the Purchaser of that horse after receipt by Seller of written evidence of the arrival of the purchased horse to its final destination and presentation to Seller of a bill of lading, receipt of the balance of the Purchase Price by Seller (if applicable), and reimbursement to Seller for any transportation costs incurred by Seller on behalf of Purchaser. The payment office shall remain open until midnight Saturday, February 27, 2010 to process all deposits, payments and sales tax collection.

Failure to make payment in accordance with the terms above shall be deemed a default under these conditions. Should a Purchaser default, Seller shall be entitled to retain the Deposit and Sales Tax Payment, and keep possession of the horse. Should, by chance, the horse have left the sales site or Stables or is otherwise in the possession and/or control of the defaulting Purchaser, Purchaser shall immediately have the horse returned to the Seller's care, custody and control at the location specified by the Seller. Should the Purchaser fail to timely return the Horse to the Seller, Seller shall be entitled to liquidated damages in the amount of the Purchase Price of the horse as reasonable compensation for the Seller's loss of use of such animal.

Any Purchaser who has purchased a horse from the auction grants to the Seller a "Security Interest" in all horses purchased and their breed certificate(s) of registration and in any products and proceeds, to secure payment of any outstanding sums owed to the Seller on the Purchaser's account. On final settlement for a horse or if credit has been established pursuant to the terms above, the Seller or the Seller's designee and in pursuant with Condition Sixth will issue a "Buyer's Invoice" which must be presented by the Purchaser to the Stables or Seller's designee for delivery of the horse as provided for herein. Buyers are cautioned not to lose these "Buyer's Invoices."

EIGHTH

DEFAULTERS: In the event any Purchaser fails to sign the Bill of Sale or fails to make payment in accordance with the terms above (as such terms are applicable depending on the type of purchase that is made), then the Purchaser shall be deemed a defaulter and the horse, at the Seller's sole discretion, may re-enter the auction ring, and then be sold with the prior attempted sale being void. In the event the Seller, in its sole discretion, determines it is not practicable or advisable to resell the horse during the same auction, then the horse may be resold by the Seller in the best manner in which it sees fit. Should the Seller decide to re-sale the horse at the auction or otherwise, and in the event the new sales price is less than the Purchase Price that was to have been paid by the defaulting Purchaser, the defaulting Purchaser shall be required to pay to the Seller the difference in the new sales price and the Purchase Price which the defaulting Purchaser failed to timely pay. In the event of a default, Seller shall also be entitled to keep the Deposit and Sales Tax Payment as damages for the Purchaser's default. Seller is entitled to seek all relief at law or in equity as a result of a default, including those set forth in Condition Ninth below.

NINTH

PAYMENT OF EXPENSES; RESOLUTION OF DISPUTES; WAIVER OF JURY TRIAL: For any dispute or controversy arising out of the auction or these Conditions of Sale, the parties shall first attempt to resolve their dispute through the use of a neutral, third-party mediator. Such mediator can be an attorney, judicial officer, or other qualified person such as a veterinarian. The parties shall evenly split the cost of the mediator. The parties shall be solely responsible for any expert or veterinarian expenses retained by them. During the period of determining whether the sale shall be rescinded, risk of loss shall be borne by the non-prevailing party. Boarding of the horse during this period shall be arranged for by the Seller. The parties shall be responsible for their own attorneys' fees and costs during this initial mediation.

In the event that mediation does not resolve the parties' dispute, the parties may bring suit in accordance with Conditions Thirteenth and Fourteenth below. The prevailing party in any litigation or lawsuit shall be entitled to recover its attorneys' fees and costs, including any expert or veterinarian expenses incurred for the purposes or prosecuting or defending one's claim, including those fees and costs incurred during mediation. The Seller shall be entitled to recover any and all expenses incurred for the maintenance and health care of the horse incurred during the pendency of the dispute in the event it is determined by the mediator or court that the Purchaser is not entitled to rescind the sale.

Time is of the essence for all matters as set forth in this and all other Conditions of Sale.

If the Purchaser is unwilling to take possession of the horse which is the subject matter of the controversy, all interested parties agree that the Seller shall take all such steps as it deems advisable in the maintenance and care of such horse, including, without limitation, board, veterinary care, and any other reasonable expenditures such as insurance coverage. Furthermore, the Seller shall have the sole discretionary right, but shall be under no obligation, to sell the horse in controversy at any sale, public or private, during the pendency and resolution of any dispute between a Purchaser and the Seller. If the Seller chooses to sell the horse that is the subject of the dispute, the Seller shall be entitled to recover from the defaulting Purchaser the reasonable expenses incurred for the maintenance, health and well-being of the horse incurred by the Seller from the date of the auction through the date the horse is sold to a third-party.

Rescission of the sale shall be Purchaser's sole and exclusive remedy. In all other respects the as-is nature of this sale remains in full force and effect.

The Seller, Auctioneer and Purchasers, and their respective agents, assigns, heirs, and affiliates, voluntarily and intentionally **waive any right that they may have to a trial by jury** in respect to any litigation arising from or connected with the auction or these Conditions of Sale.

TENTH

REGISTRATION CERTIFICATES: The Registration Certificate for each horse sold must be furnished by the Seller prior to the sale. The Seller or Seller's designee will hold all Registration Certificates in escrow. After a horse has been sold through the auction, the Seller will execute any and all documents, and pay any and all transfer fees required by the breed registry, to ensure that the horse's Registration Certificates (a/k/a breed registration papers) are transferred into the name of the Purchaser. Purchaser recognizes and acknowledges that in order to effectuate the transfer of ownership in a horse from Seller to Purchaser, Seller may be required to submit the horse's original Registration Certificate to the breed association for final transference, a process which could take four weeks. All Purchasers hereby agree and permit the Seller to release the Registration Certificates from escrow to the breed association for the purposes of effectuating final transfer of ownership.

The Seller reserves the right to withhold delivery of all registration papers for all horses bought by a Purchaser until such time as the Purchaser's account has been paid in full. In order to secure payment of the Purchase Price, Purchaser hereby grants to Seller, and its successors, designees and assigns, a security interest and lien upon the subject horse's registration certificates relating thereto until such time as the Purchase Price is paid in full.

ELEVENTH

CATALOGUE; ANNOUNCEMENTS: The accuracy of all information on the catalogue page(s) is the sole responsibility of the Seller. The Seller shall have the affirmative duty to examine the catalogue page(s), on which horses consigned by it appear, prior to sale and report any inaccuracies to the Auctioneer so that it may make an appropriate announcement prior to sale. All such announcements must be provided to the Auctioneer, in writing, **thirty (30) minutes prior to the beginning of the auction.** While certain information may have been procured by the Auctioneer from third parties on behalf of the Seller, it is nonetheless solely the responsibility of the Seller to verify the accuracy of such information and to notify the Auctioneer of any corrections prior to sale. **Notwithstanding any remedies the Purchaser may have as against the Seller, in the event of an inaccuracy or mis-description of any horse listed in this catalogue (including, without limitation, the wrong identity), the Purchaser's sole remedy shall be a refund of the Purchase Price paid which, if applicable at all, shall only be applicable upon return of the subject horse, but only if such mis-description or inaccuracy is one of a factual nature, and not based on hyperbole or sales puffery.**

TWELFTH

AGENTS: Persons acting as agents for principals, irrespective of whether the principal is in attendance at the sale, must submit to Seller or Seller's designee, no later than Wednesday, February 24, 2010 notarized letters of authorization from the principals stating that the agent is acting on their behalf and that said principal will be responsible for agent sales or purchases. Failure to comply with this Condition of Sale will result in the agent being deemed to be a co-obligor with the principal with respect to all matters in connection with or arising out of the sale and impose joint and several personal liability upon such agent for any breach of contract. The Seller or Seller's designee may, in their sole and exclusive direction, elect to accept an authorization, whether notarized or not.

All persons acting as agents for principals also are responsible for ensuring that the principal either has approved credit or makes settlement for the full Purchase Price pursuant to the Terms of Payment in Condition Seventh. By signing the sales ticket, regardless of the form of the signature, a person acting as agent agrees to be personally liable with the principal, for the full Purchase Price of the horse purchased, if the principal either does not have approved credit or fails and refuses to make full payment of the Purchase Price

THIRTEENTH

LIMITATIONS OF ACTIONS: Any cause of action arising out of the purchase and sale of any horse, or interest therein at this sale, whether it is based in contract or tort, shall be commenced in **not more than six months after the sale.** Provided, however, this limitation of action shall not apply to an action for the recovery from the Purchaser of the Purchase Price, plus interest and expenses, and including repossession of any horses purchased at this sale.

FOURTEENTH

GOVERNING LAWS; VENUE AND JURISDICTION: The laws of the State of Florida shall govern the construction of these Conditions of Sale and the rights, remedies and duties of the parties hereto. **In the event of any litigation arising out of these Conditions of Sale or the transactions contemplated hereby, the parties agree that any action or suit shall be brought exclusively in the state courts of Palm Beach County, Florida, and the parties hereby consent to the venue and jurisdiction of such courts.**

FIFTEENTH

SELLER CONTACT INFORMATION: Should any Purchaser have any questions, comments, concerns, or otherwise need to communicate with the Seller regarding the Sale or any horse purchased, please contact: Interagro Lusitano Collection USA, Inc., c/o Steven L. Cantor and/or Lowry Brescia, 1001 Brickell Bay Drive, Suite 3112, Miami, FL 33131; Telephone: 305-374-3886; Facsimile: 305-371-4564; Email: steve@cantorwebb.com or lowry@cantorwebb.com.

SIXTEENTH

INSPECTION: All purchasers shall inspect fully each horse that they may purchase. As provided in the Conditions of Sale and otherwise, purchasers are accepting any horse purchased with all defects. Purchasers that fail or refuse to inspect for any reason, including a lack of opportunity for inspection, purchase the horse at their own risk.

It shall be the sole responsibility of the Purchaser to determine the sufficiency, quality and completeness of the available inspection, including any veterinarian examinations. All horses are sold on an as-is basis, with all faults and defects, with no warranties attached.