

Agreement of Purchase and Sale for
Hidaka Training Sales(Thoroughbred 2 Year Olds)

The seller and buyer of (Horse Name): _____ (Hip No _____) in the Hidaka 2YO Training Sale (hereinafter "Seller" and "Buyer" respectively) hereby enter into this Agreement of Purchase and Sale in triplicate (hereinafter the "Agreement"), one original copy each to be retained by Seller and Buyer and also the Hidaka Higashi Agricultural Corporation (hereinafter the "Sale Holder") as witness.

(Purchase Price)

No.I Seller has agreed to sell and Purchaser has agreed to buy the horse specified above (hereinafter the "Horse") for a total purchase price of ¥_____ (including consumption tax of ¥_____) at the Hidaka 2YO Training Sale conducted by the Sale Holder.

(Payment)

No.II Buyer shall pay the purchase price within 7 days from the day following the closing date of the Sale in accordance with the Sale Holder's Conditions of Sale.

2 Such payment shall be made in Japanese currency cash or certified cheque to a financial institution designated by Sale Holder.

(Non Payment)

No.III Should the payment specified in the above clause not be made within the stipulated term, Buyer shall pay 30% (Thirty Percent) of the Purchase Price specified in Article I herein as a penalty fee to the Sale Holder in accordance with Article 21 of the Conditions of Sale.

(Delivery and Receipt of Horse)

No.IV Buyer confirms that transfer of the Horse from Seller to Buyer has taken place this day.

2 Buyer entrusts the Horse to the care of Seller from the time the transaction for the Horse has been completed until no later than 7 days after the day following the closing date of the Sale.

3 Buyer shall take receipt of the Horse within the period specified in paragraph 2 above at the location of the training farm consigning the Horse.

4 Buyer shall take necessary care to avoid disputes from later arising in connection with the Horse, such as requesting the attendance of a veterinarian at the transfer and or

receipt of the Horse as specified in paragraphs 1 and 3 above.

- 5 Should Buyer wish to request the attendance of Seller's veterinarian in accordance with the previous paragraph, Buyer shall make such request by the day before the date of actual receipt, in which case Seller shall send his/her veterinarian to be present at such time.

(Assumption of Risk)

No.V All risk shall be fully transferred to Buyer at the time this Agreement is given effect.

(Bording and Management)

No.VI Seller shall keep the Horse under his/her management with the care of a prudent custodian until Buyer takes receipt of the Horse following the terms of paragraph 3 of Article IV above. During this period, normal keeping expenses shall be the responsibility of Seller, and extraordinary expenses such as veterinary fees shall be the responsibility of Buyer.

(Accidents)

No.VII Seller must immediately notify the sale Holder and Buyer of any serious accident or sickness/disease occurring or stable-vice discovered between the time this Agreement is given effect and the time of receipt stipulated in paragraph 3 of Article IV.

- 2 Seller shall not be liable for any such accident, sickness/disease or stable-vice, unless Seller is responsible for the cause thereof.

(Warranty)

No.VIII If any condition stipulated in paragraph 3 of Article 16 of the Conditions of Sale is discovered in the Horse before the date of receipt stipulated in paragraph 3 of Article IV herein, Buyer may lodge a claim to that effect with the Sale Holder and rescind this Agreement. This paragraph, however, shall not be applicable if such condition has been accepted by Buyer.

(Rescission of Agreement)

No.IX Seller has the right to rescind this Agreement on the following grounds by lodging such claim with the Sale Holder.

- a) Purchase Price has not been paid by Buyer by the payment due date stipulated in Article II Paragraph 1 herein.
- b) Buyer is in breach of the Sale Holder's Conditions of Sale.

(Non-Transferability)

No.X Buyer's rights in connection with this Agreement shall not be transferable to a third party.

(Court of Jurisdiction)

No.XI Both Buyer and Seller agree that the Urakawa Branch of the Sapporo District Court, Japan, shall be the court of jurisdiction in all disputes arising out of or in connection with this Agreement.

2 If Buyer so wishes, and if Seller agrees, a court other than the one specified in paragraph 1 above may be approved as the court of jurisdiction.

(Other Matters)

No.XII Matters not specifically stipulated in this Agreement shall be settled amicably by negotiation between Buyer and Seller.

Date:

Seller Name: _____
Address: _____
Tel: _____

Buyer Name: _____
Address: _____
Tel: _____

Authorized Agent Address _____
Name: _____
Tel _____

Witness Name: Hidaka Higashi Agricultural Corporation
Representing Director: Mitsugu Taniguchi
Address: 5-5, Higashi 2-Chome, Sakaimachi, Urakawa-Cho, Urakawa-gun,
Hokkaido