

APPENDIX – RAAA Suggested Sale Terms and Conditions.

Except for those stated in the terms and conditions below, there are no warranties, either expressed or implied, as to the merchantability or fitness for a particular purpose with respect to the cattle being sold at this auction. The warranties and guarantees set forth in the “Terms and Conditions” are in lieu of all other warranties, either expressed or implied, and the remedies provided therein shall be the sole and exclusive remedy for the Buyer, or any party claiming through Buyer, for any breach of warranty or guarantee therein provided, and all other obligations or liabilities.

All cattle in this sale are offered according to the laws of the State wherein the sale is conducted.

The right to bid, as provided under law, is reserved for all sellers unless otherwise announced.

1. BIDDING

The Auctioneer in charge will settle any disputes as to bids, and his decision on such matters shall be final.

2. TERMS

Terms of sale are cash unless satisfactory credit arrangements have been made with Sale Management prior to sale.

3. PURCHASER’S RISK

Each animal becomes the risk of the Buyer as soon as sold, but it shall be the obligation of the Seller to see that animals are fed and cared for free of charge to Buyer, until loaded for shipment or until the expiration of 48 hours after the sale, whichever occurs sooner.

4. CERTIFICATE OF REGISTRY

A transferred certificate of registry will be furnished to the Buyer for each animal.

5. HEALTH

All animals are eligible for interstate shipment, except as otherwise announced. Interstate health papers will be furnished for each animal in accordance with prevailing State/Federal Regulations. (Rev. 6-12)

6. NON-OWNED SERVICE SIRE

If a female is bred to a non-owned bull, at the time of natural service exposure, a lease agreement will be required for registration of the resulting calf. The exceptions to this rule are:

- a. If the bull was owned by a member of the family or an employee of the recorded owner of the dam.
- b. If the cow was bought bred from the recorded owner of the service bull.

7. ANNOUNCEMENTS

Announcements from the auction block shall take precedence over the sale catalog and/or any additional printed information regarding animal(s) sold.

8. BREEDING GUARANTEE

- a. All animals are guaranteed by the Seller to be breeders, with the exception of:
 - i. Calves less than 12 months of age.
 - ii. Animals shown by purchaser after sale. The breeding guarantees, if any, shall be such as agreed upon between Seller and Buyer.
 - iii. Gross negligence or willful misconduct on the part of Buyer.
- b. Bulls are guaranteed breeders if not allowed to run within the herd until at least 14 months of age. Any bull that either:
 - i. Settles one-third or more of the healthy cows he serves.
 - ii. Is the sire of 20 or more animals.
 - iii. Settles cows by natural service and passes a fertility test made by a competent veterinarian during any six-month period of trial (provided for in paragraph 10.b. of "Options and Privileges of Return or Adjustment," this section) shall be considered a breeder. Any guarantees with respect to the ability to freeze semen shall be by separate agreement between the Buyer and Seller.
- c. Safe in Calf Females have been examined by a competent veterinarian and are so guaranteed.
- d. Served Females are believed to be in calf but are not so guaranteed.
- e. Pasture-exposed Females have been exposed but are not guaranteed to be in calf.
- f. Open Females have not been served and are so guaranteed.

9. IDENTIFICATION

Seller offers each animal with readable tattoos corresponding to its registration.

10. OPTIONS AND PRIVILEGES OF RETURN OR ADJUSTMENT

- a. All claims for adjustment or refund must be made in writing either within six months of the sale date or not later than six months after the animal reaches 18 months of age, with the exception of claims involving defects of parentage.
- b. In the event an animal is claimed to be a non-breeder, the animal may be returned to the farm/ranch of the Seller if in good condition and complying with the health requirements of the Seller's state. The Seller shall be entitled to six months trial following the return of the animal in which to prove the animal is a breeder. If at the end of six months the Seller is unable to prove the animal is a breeder, the Seller, at the

option of the Buyer, shall replace the animal with another of equal value or refund the purchase price. The return of the full purchase price shall in any case be deemed full satisfaction and settlement. Any expenses incurred for transporting an animal claimed to be a non-breeder shall be the responsibility of the Buyer; except that the Seller shall be responsible for transportation cost in the excess of the distance between the Buyer's farm/ranch and the location where the sale took place. If the Seller proves the animal to be a breeder, it shall be the obligation of the Buyer to take delivery of the animal and pay all expenses incurred for transportation.

- c. If a female sold as "safe in calf" proves not to be in-calf, the Buyer may receive service from the bull previously used. If the bull is not available, the Seller shall be obligated to make a satisfactory adjustment on the purchase price upon return of the animal to the farm/ranch of the Seller. Any adjustment provided for herein shall absolve the Seller from further liability, except in case such female proves to be a non-breeder. If a female represented as "safe in calf" at time of sale to a certain bull proves to have been bred to a different bull, the Seller shall be obligated to make a satisfactory adjustment on the purchase price upon return of the animal to the farm of the Seller (adjustments shall not be considered to be a breeding fee or an allocation of the purchase price to any unborn calf). Any expense incurred for transportation shall be the responsibility of the Buyer, except that the Seller shall be responsible for transportation costs in excess of the distance between the Buyer's farm/ranch and the location where the sale took place.
- d. If a female sold as "served" proves not to be in calf, or if a female sold as "pasture-bred" proves not to be in calf, the Seller only guarantees such female to be a breeder.
- e. If a female sold as "open" proves to be with calf, the Buyer may return the animal to the farm/ranch of the Seller prior to calving for a refund of the full purchase price or for replacement with another animal of equal value, whichever is acceptable to the Buyer. It shall be the obligation of the Seller to bear any expense incurred for transportation.

11. DEFAULT

In the event the Buyer defaults on payment, the Buyer shall be responsible for all costs, including attorney's costs, incurred by Sale Management or Seller in connection with collecting, or attempting to collect, payment due.

12. GENETIC DEFECT AND PARENTAGE GUARANTEE

- a. The parentage of all animals sold by the Seller is guaranteed to the extent that the animal is by the sire and out of the dam that is indicated on its registration papers.
- b. All test results confirming an animal's genetic defect status must be disclosed to potential buyers prior to that animal's sale.
- c. All cattle have met the RAAA requirements for registration as pertaining to genetic defects. In particular, animals containing a known genetic defect carrier in their two generation pedigree (parent or grandparent) without an intervening tested free animal have been tested for said genetic defect.
- d. Frozen Semen: Seller guarantees that, unless otherwise stated, the respective RAAA registered sire(s) represented in any frozen semen offered in this sale has met RAAA requirements as stated in the rules and regulations for an AI/ET sire as known at the time of this sale, to produce offspring eligible for registration in the RAAA. (Add1-12)
- e. Frozen Embryos: Seller guarantees that, unless otherwise stated, the parents of any frozen embryo(s) offered in this sale have met the requirements for ET parents as stated in the RAAA rules and regulations as known at the time of this sale, so that any live calves resulting from the sale of these embryos will be eligible for registration in the RAAA. (Add1-12)
- f. Refund of the animal's purchase price or replacement with an animal of equivalent value will be considered satisfactory settlement in the case of incorrect parentage or genetic defect information provided at the time of sale.
- g. In no event will Seller be liable for any special, incidental, indirect, consequential (including without limitation; lost profits, lost value of progeny, embryos and/or semen, interruption of business), or punitive damages, even if Seller has been advised of the possibility of such loss or damage.
- h. The Buyer will notify the Seller in writing immediately upon suspicion or verification that parentage or supplied genetic defect information is in error.
- i. In cases of a returned animal: all expenses related to returning the animal to the Seller will be incurred by the Buyer, and the animal being returned must meet health requirements of the Seller's state.

13. Ownership, Possession and Seller's Rights to Future Use through Frozen Genetics: (Add6-12)

- a. It is common practice for sellers to retain an ownership interest in animals so that they may later use: bull(s) through artificial insemination, or females through embryo transfer.
 - i. Therefore, the percentage of ownership that is being offered for sale must be clearly stated in the catalog, sale supplement sheet and/or announced from the auction block.
 - ii. Likewise, the buyer's rights to possession of the animal(s) and ultimate salvage value of the animal being sold, as well as any semen or future embryo rights retained by the seller must also be stated.

14. RIGHTS AND OBLIGATIONS

- a. These terms and conditions of sale constitute a contract between the Buyer and Seller of each animal. Any subsequent sale or resale of an animal constitutes a separate transaction.

DISCLAIMER: "The RAAA does not, by publishing this "Suggested Sale Terms and Conditions", require any of its members to use these guidelines. Furthermore, RAAA makes no representations as to their legal sufficiency or adequacy for every situation that RAAA members may encounter. Rather, these guidelines are simply provided as a service to RAAA members to highlight certain issues that buyers and sellers of RAAA registered cattle should consider. RAAA encourages all members to understand their state laws governing the sale of livestock and/or obtain professional legal advice to address any questions pertaining to the legality and/or enforceability of specific sale terms." (Rev. 6-12)

WEBSITE: RedAngus.org FAX Number: 888-829-6069 Member Services