

**Contract for Purchase of Pregnant Female Alpaca
Installment Sale**

Date: 12/18/2008

Parties:

“Seller”

“Buyer(s)”

Pucara International
Alan Cousill and Jude Anderson
15204 Muddy Valley Rd
McMinnville, OR, 97128
503 843 3939
pucara@earthlink.net

Identity of Alpaca:

Name: Wam Bam Goof Ball
Price: \$18,000
ARI: 305627693457
Chip: 985120027688716
DOB: 6/22/2006
Color: White
Dam: Wam Bam
Sire: Goof Ball

Agreements:

- 1. Property.** Buyers agree to purchase the pregnant female alpaca identified in this contract.
- 2. Price.** The purchase price is \$18,000. A down payment of \$5,400 (30%) is to be paid upon signing this contract. The balance of \$12,600 shall bear interest at the rate of prime plus one percent at due time of payment and will be paid in monthly installments starting 1/18/2009 and finishing 12/18/2011 . **See the attached payment schedule supplied by seller.** Buyer may elect to pay the principal balance in full at any time without penalty. If the entire balance is paid on or before 12 months from contract date no interest will be charged. The purchase price shall be paid in full in U.S. currency before Buyers are entitled to transfer of the ARI Certificate for the alpaca into their name.

3. **Security Agreement.** To secure payment and performance of their obligations under this agreement, Buyers transfer and grant to Seller a security interest in the alpaca described in this contract and all her subsequent cria. The cria shall be registered in Seller's name until such time as the contract is paid in full. Upon payment, the certificate for all progeny shall be transferred to the Buyer.
4. **Transportation.** Transportation of the above said animal is the sole responsibility and cost of the buyer. All cost associated with the transport of the above said animal is the sole responsibility of the buyer.
5. **Acceleration.** If any amount owed under this contract is not paid when due, the entire outstanding principal balance due under this contract with accrued interest, shall be due and payable. The Buyer/s agree and understand that failure to make payments as specified in this agreement for a period of sixty days (60) shall constitute an event of default for non-performance and all unpaid principal and accrued interest shall be immediately due and payable ("Accelerated Amount"). Failure to pay the Accelerated Amount within ten days (10) will cause all payments made to date of default to become liquidated damages, up to and including eighty per cent (80%) of the purchase price. When the alpacas are sold, moneys, if any, over and above the eighty percent (80%) minus any expenses due to Sellers related to agistment, care or breeding of the alpaca/s will be returned to the Buyer and they will have no further claim.
6. **Passage of Title and Possession.** Upon payment in full, delivery to Buyers by Sellers of the ARI Registration Certificate, properly executed to effectuate a transfer of ownership to buyers in accordance with rules and regulations of the ARI, and the delivery of possession of the animal to Buyers, then title shall pass to Buyers. Any cria born to the subject female shall become additional collateral for this contract and shall be registered in seller's name.
7. **Risk of Loss.** Risk of loss shall pass to Buyer upon entering into this contract for purchase. Purchaser agrees to insure the alpaca which is the subject of this contract for full mortality and make the seller a co-beneficiary on the policy. Buyers are encouraged but not required to also obtain fertility insurance as the fertility of the alpaca listed on this contract is not guaranteed after delivery of cria, live or dead. Purchaser further agrees to provide proof of insurance to seller.
8. **Agistment.** This alpaca is housed at the Pucara International facility in McMinnville, Oregon where the buyers have requested it stays until further notice. No boarding/agistment will be charged prior to January 18, 2009. Thereafter, agistment will be charged at \$3.50 per day for weaned alpaca and \$1.50 for cria underfoot. **A separate Agistment Fees contract** will be in addendum to this contract
 - a. **Services To Be Provided:** Agistor agrees to provide adequate feed and facilities for normal and reasonable care required to maintain the health and well-being of the animals. "Normal and reasonable care" means the same standard of care currently applied in the management of the alpacas owned by Agistor.
 - b. **Waiver of Liability:** During the time the alpacas are in the care and custody of Agistor, Agistor shall not be liable for any sickness, disease, astray, theft, death, loss of use or other injury which may be suffered by the alpacas or for

any other cause of action arising out of this contract.

- c. **Boarder To Insure, or Self-Insure:** Boarders represent either that the alpacas are insured with a "full mortality" insurance policy or that the Boarders are acting as their own self-insurer, both as to mortality, and also as to any injury, damage or any event causing a loss of value or use of alpacas that may occur. Boarders further agree that their sole remedy, in the event of damage, loss or any event causing a loss of value to either dam or any cria at their side, shall be to make claim against any insurance policy that they have acquired. If Boarders fail to acquire such insurance and hence act as their own self-insurer, they shall be deemed to have waived any claim against Agistor both as to mortality, and also as to any injury, damage, loss of use or any event causing a loss of value of alpacas that may occur.
 - d. **Hold Harmless:** Boarders agree to hold Agistor harmless from any claim resulting from damage or injury caused by the alpacas to anyone and agree to pay any attorney's fees, costs, or expenses incurred in defense of such claims.
 - e. **Authorization of Veterinary Services:** Boarder authorizes veterinary services/care and agree to pay all necessary and reasonable veterinary charges for services rendered to the alpacas while in the care of Agistor.
- 9. Warranty of Title.** Sellers warrant that their title to the animal is free and clear of any liens, encumbrances, security interests, or other impediments to clear title of any kind. Sellers transfer to Buyers free and clear title and agree to indemnify and hold Buyers harmless from any claim of third parties to right of possession, encumbrance, lien, security interest or title to the animal.
- 10. Waiver of Implied Warranties.** *The implied warranties of merchantability and suitability for a particular purpose are waived. There are no warranties which extend beyond the description on the face of this contract. The animal is sold "as is." In lieu of any implied warranties, the animal sells with the written, express warranty, and specific rights and remedies in this contract, and no others.*
- 11. Seller's Express Warranties.** The female is being sold as a pregnant female. Prior to delivery, the Seller agrees to obtain an ultrasound test from a licensed veterinarian indicating pregnancy. The results of the test shall be deemed conclusive proof that the alpaca is, in fact, pregnant.
Sellers are not aware of any current adverse medical or reproductive condition in the animal. Sellers warrant that the female's genealogy is as set forth on her ARI Registration Certificate (see attached).
- 12. No Other Warranties.** No other warranties are made. All descriptions and representations about the animal are merged into this document. The Buyer has no right to rely upon any statement, description, or representation concerning the animal except as set forth in this document.
- 13. Buyers' Option for Independent Pre-purchase Examination.** Prior to purchase, the Buyers have been offered the option by Sellers to undertake a full veterinary examination of the animal, using a veterinarian of Buyers' choosing, at Seller's expense. If this option is desired, it shall be undertaken before Buyers obtain possession and within seven days of the purchase date. If the examination detects any adverse medical condition, the Buyers shall so notify Sellers before delivery of

possession and within three days of the examination. Within that time only, Buyers shall have the option to rescind this contract and obtain a full refund.

By virtue of the benefit of this provision for an independent medical examination, Buyers forego any claim that the animal is defective, or fails to conform to the contractual terms, because of adverse health conditions of any kind.

- 14. Non-assignment.** The warranties and remedies under this contract are non-assignable and inure only for the personal benefit of the Buyers. The warranties and the remedies shall be void and lapse in the event of any sale or transfer of any interest (including transfer of part-ownership) in the animal.
- 15. Entire Agreement.** This is the entire agreement between the parties. All previous discussions and negotiations have been merged into this written contract.
- 16. Jurisdiction and Venue.** If any dispute arises between the parties, venue and jurisdiction shall lie with the state and judicial district where Sellers reside. In addition to legal relief, a court is hereby authorized to grant injunctive, declaratory or other appropriate equitable relief to enforce both the grant and the limitation of warranties and remedies as set forth by this contract.
- 17. Attorney's Fees.** In any legal proceeding arising out of this contract, the prevailing party shall be entitled to their reasonable attorney's fees and costs of suit, in addition to any other relief granted by the Court.
- 18. Limitation of Damages.** In no event shall damages be awarded for the buyers' incidental or consequential damages of any kind, including, but not limited to, lost profits or lost production.
- 19. Requirement of Timely, Written Notice of Claim.** No legal proceedings shall be instituted arising out of this contract unless written notice is delivered by buyers to sellers within 6 months of the date of this agreement, which notice shall specify the grounds upon which buyers assert their claim, and give sellers reasonable opportunity to respond and offer to cure the alleged breach, if appropriate.
- 20. Seller Provides Live Birth Guarantee.** The live birth guarantee is deemed to be satisfied if the cria survives 48 hours after birth.

(A) If the Owner of the Dam claims that conditions for a live birth have not been attained: The Sellers require that the Buyers provide proof from a licensed veterinarian that said cria died within 48 hours of birth.

(B) If dam loses fetus prior to birth by re-absorption or miscarriage: Owners of Dam shall notify the Sellers as soon as possible after discovery of said re-absorption or miscarriage. Sellers offer a re-breeding to Sellers available herd sires at no cost. Expenses for resulting progesterone and/or ultrasound tests are at the expense of the Sellers. The Buyer is required to deliver the dam to the Seller's farm within 30 days of notification of loss of fetus. In the event the dam is not physically ready to breed, an extension to the 30 days is to be provided by the Sellers based on confirmation and recommendation of dam's condition by a certified veterinarian.

21.AOBA Show Rules. The seller's agent is Jude Anderson, a Senior Alpaca Judge certified by AOBA. The AOBA show rules regulate the showing of alpacas purchased from an alpaca judge in front of that judge. Please see the Addendum attached to this contract for guidance as how to show your animal.

Seller

Date

Buyer

Date

Addendum

APPENDIX 1: AOBA SHOW RULES – CONFLICT OF INTEREST

Pursuant to the current AOBA Show Division Handbook rules, an Exhibitor or Handler, including his/her immediate family members, is prohibited from personally showing in front of a judge if:

1. During the nine months prior to the show, he/she has received from or paid to the Judge any fees, salary, commission or any kind of remuneration, including like-kind exchange or barter, for selling, buying, boarding or breeding any alpacas.
 - a. This nine-month period begins from the final date where fees, salaries or commissions were paid. For example, an Owner, and his/her immediate family members, who purchased an alpaca, or a breeding, from a judge where the judge financed the purchase would not be eligible to show any alpacas in front of this judge until nine months after the final payment had been made.
2. They co-own an alpaca with a judge.
3. They are an immediate family member.
4. They are a domestic partner.
5. They are a business partner.
6. They are an employee or employer of the judge.
7. The Exhibitor is disqualified from personally showing in front of the Judge, he/she may appoint a Handler to show an eligible alpaca on their behalf.

An Exhibitor is prohibited from entering an alpaca's fleece in a Fleece Show and showing fleeces in front of any Judge judging at that fleece show if:

1. They co-own the alpaca with a judge judging at that fleece show.
2. They are an immediate family member of a judge judging at that fleece show.
3. They are a domestic partner of a judge judging at that fleece show.
4. They are a business partner of a judge judging at that fleece show.
5. They are an employee or employer of a judge judging at that fleece show.

Pursuant to the current AOBA Show Division Handbook rules, an alpaca/fleece is disqualified from competition if:

1. Any Judge judging at the show has a share of ownership in or stands to make any gain, financial or otherwise, from the alpaca.
2. The alpaca/fleece, during the nine months prior to the date of the show, has been:
 - a. boarded on a property under the Judge's control.
 - b. purchased from the Judge
 - c. trained by the Judge
3. The Judge has acted as a consultant or agent for the alpaca's Owner, assisted in the purchase of, or brokered the alpaca during the nine months prior to the date of the

show. Disqualification applies to any alpaca acquired through an auction, either live or Internet-based, where the Judge participated in any way in the buying or selling of that alpaca or participated, in any capacity, in the auction in which the Owner purchased the alpaca.

4. A shorn fleece is disqualified from ever showing in front of a Judge if the fleece was skirted by the Judge or if the Judge acted in any capacity to display, present or promote the fleece.