

## **Disclaimer**

The following equine agreement or contract form is provided by The Foundation for the education and convenience of its members and other owners or potential owners. It is an example only. Some parts included in this example may not be applicable to all situations. Some transactions may require forms which include modifications, additional information or signatures in order to be complete and valid.

Laws pertaining to this agreement or contract may vary from State to State. You are encouraged to seek advice from local legal or tax advisors before completing any transactions using this form.

**Installment Purchase and Security Agreement** - Note: Use of the attached purchase agreement form or similar document is suggested as a means to protect both parties, but is not a requirement of The Foundation. It is intended for the sale of a horse where physical transfer of the horse takes place prior to full payment being received by the Seller. For the purposes of transfer of registration, the "Date of Sale" shall be considered as the date listed above the parties' signatures in paragraph 17 of this document. As part of this type of purchase agreement, a promissory note is recommended. To perfect the security interest, execution of a Universal Commercial Code (UCC-1) Financing Statement is required. The following web page contains FREE Uniform Commercial Code Financing Statement (UCC-1, UCC-3) forms and directions for each state and the revised national UCC forms.

**<http://www.lawfirmsoftware.com/free/forms/ucc/index.htm>**

For horse sale transactions that do NOT involve an installment payment agreement, please use the simple 'Transfer of Ownership' forms, also found in the forms section on this website.

## Installment Purchase and Security Agreement

### 1. Parties:

**Seller:**

**Purchaser:**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Name

\_\_\_\_\_  
Street or P.O. Box

\_\_\_\_\_  
Street or P.O. Box

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
County, Township, or Parish

\_\_\_\_\_  
County, Township, or Parish

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Telephone Number

Purchaser shall maintain the purchased horse in \_\_\_\_\_ County, Township,  
Or Parish in the State of \_\_\_\_\_.

**2. Horse Purchased:** Seller agrees to sell and Purchaser agrees to buy, upon the terms  
and conditions set forth, the following described horse:

Name: \_\_\_\_\_

Age: \_\_\_\_\_ Sex: \_\_\_\_\_ Height: \_\_\_\_\_

Breed: \_\_\_\_\_

Color / Markings: \_\_\_\_\_

Microchip No.: \_\_\_\_\_

This horse is registered with (name of registry): \_\_\_\_\_

Registration No.: \_\_\_\_\_

Current Registered owner(s): \_\_\_\_\_

**3. Price:** The total price shall be \_\_\_\_\_ dollars (\$ \_\_\_\_\_). payable according to the following terms:

\$ \_\_\_\_\_ Down payment due \_\_\_\_\_ (date). The unpaid balance of \$ \_\_\_\_\_ shall be paid by Purchaser over \_\_\_\_\_ ( ) months with \_\_\_\_\_ percent ( % ) fixed interest on the unpaid balance.

The first payment shall be due \_\_\_\_\_ and owing on or prior to \_\_\_\_\_ (day / or day & month) of each \_\_\_\_\_ (month / or year) thereafter. A late fee of \_\_\_\_\_ dollars (\$ \_\_\_\_\_) shall be paid by Purchaser for cash

installment obligations over \_\_\_\_\_ ( ) days late. The terms in this paragraph are further evidenced by a Promissory Note executed this date.

**4. Prepayment Privilege:** Purchaser may prepay any portion of the unpaid principal balance at any time. Prepayments shall apply to the last principal installments due.

**5. Registration and Ownership Transfers:** Rules to be observed for transfer of registration shall be those of the appropriate breed registry. Seller shall submit original registration certificate, signed & dated transfer form and appropriate fees directly to the registry office within the period prescribed by those rules. For the purposes of transfer of registration, the "Date of Sale" shall be considered as the date listed above the parties' signatures in paragraph 17 of this document.

**6. Seller's Warranties:** Seller warrants that he/she is the owner of the horse and that he/she has the right to sell said horse and he/she will defend the horse against any and all lawful claims and demands made by all persons. Seller warrant's the horses description as stated in Paragraph 2 above; this express warranty is exclusive of all others. Purchaser accepts the horse as is and subject to any and all faults or defects that may now exist or subsequently appear. Any implied warranty of fitness, merchantability, or otherwise is excluded.

**7. Acceptance, Notice of Claims, and Limitation of Remedies:** Purchaser accepts the horse by signing this Agreement, and risk of loss passes immediately from Seller to Purchaser. Purchaser is responsible for all board, veterinary, farrier, and transportation expenses after the date hereof. Purchaser shall make no claim for any breach of this Agreement, for rescission or revocation, nor for any warranty, misrepresentation, mistake, or other tort, unless Purchaser first notifies Seller in writing of the basis and nature of the claim within thirty (30) days of the date of this Agreement. Purchaser's remedies in Agreement, tort, or otherwise are limited to refund of all amounts paid, upon return of the horse to Seller. All incidental and consequential damages are excluded, to the full extent permitted by law.

**8. Purchaser's Warranties:** Purchaser agrees to provide adequate feed, water, shelter, deworming, vaccinations, veterinary care, and farrier care. Purchaser shall keep the horse free of all liens and encumbrances and pay all taxes levied with respect to the horse when due. Purchaser shall be responsible for all sales, transactions privilege, and other taxes that may be imposed as a result of this transaction. Purchaser shall not remove the horse from the County, Township, or Parish identified in paragraph 1 for longer than three (3) months, unless Seller is given advance written notice of the new location.

**9. Insurance and Indemnification:** Purchaser shall promptly obtain and maintain "full mortality" insurance in an amount not less than any unpaid balance on this Agreement, naming Seller as additional beneficiary to the extent of Seller's interest. Purchaser shall provide Seller proof of such insurance, from a company acceptable to Seller, upon execution of this Agreement and upon each renewal. Purchaser shall indemnify Seller against any claims arising out of this Agreement or related in any way to the horse, including the expenses of defending any such claim.

**10. Security Interest:** To secure performance of all obligations of this Agreement, Purchaser grants Seller a security interest in the horse and all of its offspring, produce, and proceeds, including all foals born or in utero on or after the date hereof. Purchaser will execute such documents and perform such acts as may be required for Seller to perfect a security interest and insure its validity and enforceability, including but not limited to execution of UCC-1 Financing Statement. Seller is also authorized to file or record a photocopy of the Agreement as a financing statement.

**11. Purchaser's Default and Cure:** Should Purchaser default in the timely payment of any installment of principal or interest, or fail to fulfill any other obligation of this Agreement, the entire unpaid balance will, upon written notice to Purchaser of late payment or other default, automatically become due and payable together with interest on all amounts due at the fixed rate of \_\_\_\_\_ percent (\_\_\_\_%) per annum, or the highest legal rate, whichever is less, from the date of such default until paid. Purchaser may cure the default and reinstate the installment payment schedule within thirty (30) days of the mailing of the first notice of late payment or other default.

**12. Seller's Remedies on Default:** Upon any default by Purchaser that is not timely cured following proper notice, Seller shall have all rights and remedies provided by law, cumulatively, successively or concurrently, including but not limited to the following. Seller may take possession of the horse without legal process, to the extent permitted by law. Seller may require Purchaser, and Purchaser hereby agrees, to make the horse available to Seller at the location of this sale or other place convenient to both parties. To protect the collateral, Seller may pay any taxes or liens levied on the horse and may provide insurance, feed, water, shelter, exercise, deworming, vaccinations, veterinary care, or farrier care on Purchaser's behalf and add such costs and expenses to the principal amount due under this Agreement. Seller may resell by public or private sale, Seller's customary methods of attracting potential buyers without public advertising will be deemed reasonable. Ten (10) days' notice will be deemed reasonable notice of resale. No delay or omission by Seller in exercising any right or remedy will operate as a waiver

of that or any other right or remedy, and no waiver of any Purchaser's breach or Seller's right or remedy will be deemed a waiver of any other or future breach, right, or remedy.

**13. Non-Assignability and Due on Sale:** Purchaser's interest in the horse, foal(s), breeding right(s) and other rights or obligations under this Agreement may not be assigned or sold without Seller's prior written consent, which may not be unreasonably withheld. All amounts due will become immediately due and payable without notice if Purchaser sells or assigns Purchaser's interest in the horse, foal(s), breeding right(s), or obligations under this Agreement, or purports to do so, without Seller's prior written consent.

**14. Notices:** All notices, requests and consents required or permitted by paragraphs 7, 8, 11, and 13 of this Agreement shall be in writing, signed, and personally delivered or mailed by registered or certified U.S. Mail to the address specified in paragraph 1 above, or such other address of which the sender has been given written notice.

**15. Applicable Law, Jurisdiction, and Attorneys' Fees:** This contract shall be construed and governed by the laws of the State of \_\_\_\_\_. At the option of the Seller, jurisdiction and venue for any dispute arising under or in relation to this Agreement shall lie only in the county or state identified below the signature lines. In the event lawsuit is brought with respect to this Agreement, or Seller engages an attorney to repossess the horse or collect amounts due, the prevailing party shall be entitled to reasonable attorneys' fees.

**16. Entire Agreement and Severability:** This Agreement contains the entire understanding of the parties concerning its subject matter; there are no oral or written promises or representations upon which Purchaser is relying except as expressly set forth herein. This Agreement may be modified only in writing executed by both Purchaser and Seller. The invalidity or unenforceability of any terms or clauses of this Agreement shall not affect the validity and enforceability of any other terms or clauses, but otherwise this Agreement is indivisible notwithstanding any allocation of prices the parties may agree upon for tax, insurance, or other reasons.

**17. Signature and Date:** Purchaser has read and accepts all terms appearing on each of the four pages of this Agreement.

In Witness Whereof, the parties hereto have signed and sealed this Agreement as of

\_\_\_\_\_ (date).

Seller:

\_\_\_\_\_  
Signature

Purchaser:

\_\_\_\_\_  
Signature