

CLYDESDALE BREEDERS ASSOCIATION OF THE U.S.A.

Disclaimer

The following equine agreement or contract form is provided by the Association for the education and convenience of its members and other Clydesdale 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.

Promissory Note

\$ _____
Principal Sum Date

For value received, _____ (Maker) does hereby promise to pay to the order of _____ (Payee) the sum of _____ dollars (\$ _____), together with interest on the unpaid principal balance at the fixed rate of _____ percent (____%) per annum from the date hereof in installments beginning on _____ until the entire principal balance is paid in full or unless sooner paid, as follows:

<u>Due Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

This note may be prepaid in whole or in part at any time without penalty. Any partial prepayment shall be applied to the remaining principal installments, and Maker shall remain obligated to pay the remaining principal installment according to the above schedule. In the event of partial or whole prepayment, the interest shall be recomputed to give effect to the prepayments of principal so that interest shall be paid only on the principal balance outstanding at any time.

This is the Note referred to in the Installment Purchase and Security Agreement between the same parties of even date herewith, and is secured according to the Security Agreement contained therein.

In the event Maker defaults in the timely payments of principal or interest due hereunder, or in any other obligation of the Installment Purchase and Security Agreement referred to, the entire amount then remaining unpaid balance of principal and interest shall automatically become due and payable, without any right of set-off or hold-back, upon written notice to Maker of such late payment or other default, unless the default is cured within fifteen (15) days of the mailing or delivery of the first notice of late payment or other default.

Such accelerated amount due shall bear interest at the rate of _____ (____%) per annum or at the highest legal rate, whichever is less, from the date of such default until all sums due hereunder are paid. No delay, omission, extension, or non-exercise by Payee of any rights or remedies hereunder shall constitute a waiver of that or any other right or remedy.

Maker and any endorsers of this Note agree to be jointly and severally bound and severally hereby waive presentment, protest, and demand and notice of protest, demand, dishonor, and non-payment of this Note and any defense by reason of extension of time or other indulgences granted by Payee, and bind themselves as principals and not as sureties, and promise that, in the event this Note is forwarded to an attorney for collection, Maker agrees to pay reasonable attorneys' fees.

This note is issued in the County, Township, or Parish of _____, State of _____ and the execution, delivery, and performance hereof are governed by the laws of the State of _____ unless otherwise provided in the above referred to Installment Purchase and Security Agreement.

Signature of Maker

Address