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Your Law Firm Name Goes Here
Any City, Any Town, Any State

Installment Sale and Security Agreement

This contract is made this _____[date] between the seller and the buyer, designated below by their signatures and seals.

1. **Payment.** Seller sells buyer the articles described above (goods) upon the terms set forth below. Buyer, given the choice of paying the net price set forth below or the time price in any installments as set forth below, agrees to pay same to seller or its assigns at its offices at the address shown above or at any other address which seller may direct in writing delivered to buyer. It is agreed that the contracts, whether one or more, existing between seller and buyer, having an unpaid balance of \$ _____(old balance), shall remain in full force and effect, that seller's security interest in the goods sold under them shall remain perfected, and that as to the contract evidenced by this instrument, buyer shall make payments in the amount and for the period set forth below until the total time balance as set forth has been paid. Upon a default in the contract evidenced by this instrument, the existing contract shall also be deemed to be in default: Payable in _____ consecutive installments of \$ _____ each, except the last installment shall be the balance due.

First installment due _____[date].

2. **Warranties.** No representation or statements have been made by seller concerning the goods except as stated in this agreement, and no warranty, express or implied, by seller, arises apart from this writing. Buyer warrants that any property offered in trade for the goods is free from any lien, claim, incumbrance or security interest.

3. **Fees.** Buyer will pay all costs of filing this contract or any financing or termination statement with respect to the goods, and appoints seller buyer's attorney-in-fact to do whatever seller may deem necessary to perfect or continue perfected its security interest in the goods.

4. **Retention of security interest.** Until all installment payments, and all other amounts due under this agreement, have been paid, seller shall retain a security interest in the goods and any and all equipment, parts, accessories, attachments, additions and other goods, and all replacements of them, installed in, affixed to or used in connection with the goods and, if buyer sells or otherwise disposes of the goods in violation of the terms of this agreement, in the proceeds of such sale or disposition.

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5. **Insurance.** Buyer will insure the goods against all hazards in form and amounts and with an insurer satisfactory to seller. If buyer fails to obtain insurance seller shall have the right to obtain it at buyer's expense (without waiver of any other remedy) and buyer assigns to seller all right to receive proceeds of insurance not exceeding the unpaid balance (including any costs of collection, attorney's fees or other costs actually incurred in connection with it) and directs any insurer to pay all proceeds directly to seller and authorizes seller to endorse any draft for proceeds. In the event of damage to the goods and payment of insurance, seller shall have the option of replacing the goods or applying the proceeds on any obligation secured by this agreement. Seller may upon default under this agreement, or default in the payment or performance of any obligation secured by this agreement, cancel any insurance on goods after repossession of them, or on that portion of the goods repossessed if less than all.

6. **Maintenance.** Buyer will keep the goods in good condition and free from liens and other security interests, will pay promptly all taxes and assessments upon them or with respect to their use, will not use the goods illegally or dispose of or encumber them, will not remove the goods from the premises to which they are delivered as stated on the face of this contract, without the prior written consent of seller and will not permit the goods to be fixtures, or to become accessions to other goods unless on the front page of this agreement it is indicated that the goods are to be attached to real estate in which case buyer agrees to furnish seller with a disclaimer or disclaimers, in form satisfactory to seller, signed by all persons having an interest in the real estate, of any interest in the goods which is prior to seller's interest.

7. **Events of default.** The occurrence of any of the following shall constitute a default under this agreement: (1) failure of buyer to perform any obligation or agreement specified in this agreement, or if any warranty or representation made under this agreement by buyer should prove to be materially incorrect; (2) the death of buyer, any cosigner or guarantor on any obligation secured by this agreement, or the dissolution, merger, consolidation or reorganization of any corporate buyer or corporate obligor on such obligation; (3) the institution of any proceeding in bankruptcy, receivership or insolvency against buyer; or against any obligor on any secured obligation or the institution by any party of action for attachment or similar process; (4) the issuance of execution process against any property of buyer or any such coobligor, or the entry of any judgment against buyer or any such coobligor, or any assignment for benefit of creditors or similar action adversely involving any such party; (5) any condemnation, levy, forfeiture or similar action against the goods or any part of them; (6) when seller shall in good faith and upon reasonable grounds believe that the prospect of performance of any obligation of buyer under this agreement, or of performance or payment of any obligation secured by this agreement, by buyer or any other obligor on them, is materially diminished; (7) the default by buyer under any other contract obligations, or installment sale security agreement between the parties to this security agreement.

8. **Remedies on default.** In the event of a default, or if seller or seller's assignee shall consider the payment of the balance of the installment payments insecure, seller shall have the right to: (1)

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obtain judgment for the amount of the installments delinquent under the contract plus interest at six % on such delinquent payments from due date and reasonable attorney's fees without prejudicing seller's right to subsequently obtain judgment for additional, or the balance of, the installments or to exercise other rights contained in this agreement or at its option, declare all unpaid installments and other moneys due or to become due under this contract immediately due and payable and to obtain judgment for the total amount of unpaid installments due plus interest of 6% on delinquent payments from due date and reasonable attorney's fees; (2) enter any premises and without breach of the peace take possession of the goods; and (3) exercise the rights on default of a secured party under the Uniform Commercial Code. Seller may require buyer to assemble the goods and make them available to seller at a place to be designated by seller which is reasonably convenient to seller and buyer. Seller shall have the right to take immediate possession of the goods wherever found, with or without legal process, and to sell or otherwise dispose of the goods. Unless the goods are perishable or threaten to decline speedily in value or are of a type customarily sold on a recognized market, seller will give buyer reasonable notice of the time and place of any public sale of the goods or the time after which any private sale or other intended disposition is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of the buyer shown at the beginning of this contract or such other address of buyer as may from time to time be shown on seller's records, at least five days prior to such action. Buyer will pay any deficiency that may remain after exercise of such rights plus expenses of retaking, holding, preparing for sale, selling or the like, including seller's reasonable attorney's fees. All of seller's rights under this agreement are cumulative and no waiver of any default shall affect any later default.

9. Miscellaneous terms and provisions. (1) Loss or damage to the goods will not release buyer. (2) Repairs to the goods and equipment or accessories placed on the goods shall be at buyer's expense and shall constitute component parts of the goods, subject to the terms of this contract. (3) If any part of this contract is adjudged invalid, the remainder will not be invalidated by this. (4) Seller may assign this contract but buyer shall not. Seller's assignee shall have all of the rights, powers and remedies of seller but shall be subject to none of seller's obligations, and any right, remedy or authority conferred upon seller under this agreement shall upon assignment be deemed to be conferred upon seller's assignee, even though the term "seller" only is used in this agreement, and any notice to which seller is entitled shall be given to seller's assignee if buyer has notice of an assignment. (5) Buyer will not assert against any assignee of this contract any defense which buyer may have against seller. (6) If there be more than one signer of this contract, their obligations shall be joint and several and each specifically waive presentment or demand and agree that any extension or extensions of time of payment of this contract or any installment or part installment may be made before, at or after maturity by agreement with any one or more of the parties, and they waive any right which they may have to require the holder to proceed against any person. (7) This agreement will be governed by the laws of the State of _____, and all obligations of buyer shall bind h heirs, executor, administrator or successors.

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10. **Warranty as to use.** Buyer warrants that the goods are purchased for use primarily for personal, family or household purposes. If any of the goods described are now or are to become fixtures, the same are or will be affixed to the following described real estate: _____.

11. **Exclusive statement of contract.** This writing contains the full, final and exclusive statement of the contract between the parties and no agreement or warranty shall be binding on the seller unless expressly contained in it.

Executed in triplicate by buyer on the date written above, until the seller executes this contract it shall be considered an offer binding on buyer but not on seller. Upon execution of this contract by the seller by signature of the seller or seller's authorized representative this contract will be considered accepted by the seller. Buyer acknowledges receipt of a copy of this contract.

Witness the following signatures and seals:

Buyer _____

Buyer _____

Witness my hand and seal: _____ Company
By _____