



#####

Purchase and Security Agreement

Date _____ Hip Number _____ (the "Horse") Purchase Price _____

Please print the following information:

Purchaser's Name _____

Agent's Name (if any) _____

Address of Purchaser (principal residence for an individual or chief executive office for an organization) _____

City, State, Zip Code, Country _____

Telephone _____ Fax _____ Email Address _____

Purchaser, Keeneland Association, Inc. ("Keeneland") and any person signing for Purchaser below agree as follows:

(a) The definitions and additional terms set forth on the other side of this page as well as the Conditions of Sale are incorporated herein by reference and are agreed to by Purchaser and Keeneland. Any reference to "Agreement" means the front and back of this page and the Conditions of Sale. Purchaser acknowledges that he is familiar with the provisions of the Agreement including those which are part of the Conditions of Sale.

(b) Purchaser hereby purchases and promises to pay Keeneland the purchase price set forth for the Horse plus Kentucky sales tax at the rate of 6% of the purchase price unless exempt under Kentucky law (see below).

(c) In order to secure payment of the Secured Obligations, Purchaser hereby grants Keeneland, both in Keeneland's own capacity and as agent for the Seller, a security interest in and to any and all Subject Property now owned or hereafter acquired by Purchaser. Purchaser hereby authorizes Keeneland to file such financing statement(s) as Keeneland, in its sole discretion, determines appropriate to reflect or perfect any security interest granted hereby, which financing statement or statements may describe all or any part of

the Subject Property in such manner and with such greater or lesser detail than contained herein as Keeneland, in its sole discretion, determines. For example, and without having any limiting effect, Keeneland, in its sole discretion, may describe the Horse or any other horse in any financing statement(s) by sire, dam, color, year of birth, registration number, reference to a Catalogue page (a copy of which may be attached and incorporated by reference) or in any other manner deemed appropriate by Keeneland. Purchaser hereby irrevocably appoints Keeneland as Purchaser's limited attorney-in-fact to do all things which Keeneland may deem necessary or appropriate to perfect and continue perfected the security interest granted to Keeneland including the execution in Purchaser's name UCC-1 (and other) Financing Statements covering the Subject Property.

(d) OTHER THAN LIMITED WARRANTIES EXPRESSLY STATED AND LIMITED BY NOTIFICATION AND TIMING REQUIREMENTS AS FURTHER STATED IN THE CONDITIONS OF SALE, THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, BY KEENELAND OR ANY SELLER, CONSIGNOR OR AGENT AT ANY KEENELAND SALE AS TO MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY ANIMAL SOLD AND THE HORSE AND ANY INTEREST THEREIN IS SOLD "AS IS."

(e) Purchaser claims exemption from Kentucky Sales Tax (Initial One)

1. _____ The purchase is made for breeding purposes only; or
2. _____ The purchase is of a horse less than two (2) years of age made by a person who is either a nonresident of Kentucky (as defined by KRS 141.010) or who is not commercially domiciled within Kentucky (as defined by KRS 141.901); or
3. _____ The horse purchased is two years old or older, which is not sold for breeding purposes only, and will be immediately shipped by Keeneland from Lexington, Kentucky to the purchaser at an out-of-state point via licensed Interstate Common Carrier (ICC). It is understood and agreed that such shipment shall be wholly at Purchaser's risk. A release will be issued to ICC carrier upon receipt of bill of lading. All expenses incurred by Keeneland in shipping the horse will be invoiced to Purchaser and Keeneland shall retain a lien in the horse to secure all such expenses; or
4. _____ The horse is being purchased for resale by a Purchaser who is registered as a retailer with the Kentucky Department of Revenue, as evidenced by the attached executed Kentucky Resale Certificate.

Notwithstanding the above, if Purchaser checks #2 or #3 above and at the time of sale Keeneland's sales of horses for delivery in the state of destination exceed the applicable threshold so as to subject Keeneland to taxation in that state as a "remote seller", Purchaser acknowledges that the above exemption(s) may not be available to Purchaser, and Purchaser may be charged tax. Purchaser further acknowledges and agrees to pay all applicable sales or use taxes and indemnifies, defends, releases and holds harmless Keeneland and Seller from and against any and all claims and damages related thereto.

(f) The individual signing this Agreement, regardless of the form of the signature or his signing capacity, (i) represents his signature below has been duly authorized by Purchaser and binds Purchaser to all the terms and conditions of this Agreement, and (ii) agrees to be personally liable, jointly and severally, with Purchaser under this Agreement, for the full purchase price of the Horse and all obligations of Purchaser under the

Conditions of Sale if Purchaser does not make settlement within 60 minutes or have approved credit by Keeneland or if Keeneland has not been provided a signed Purchaser's authorized agent form acceptable to Keeneland granting purchase authority during this sale to the individual signing this Agreement.

Terms to this Purchase and Security Agreement continued on reverse

Signature _____ Print Signature Name _____

Billing address if different than above _____

City, State, Zip Code, Country _____

Telephone _____ Fax No. _____ Email Address _____

KEENELAND ASSOCIATION, INC., Secured Party _____ By: _____
P.O. Box 1690, Lexington, KY 40588-1690, 4201 Versailles Rd., Lexington, KY 40510

Additional Terms

The following definitions and additional terms are made a part of the Purchase and Security Agreement contained on the other side of this page:

The individual signing this Agreement expressly agrees and acknowledges as follows: (a) Keeneland is the data controller and data processor for any processing related to the purchase of the horse set forth herein; (b) the individual signing this Agreement has received a copy of and have read and agree to Keeneland's Privacy Policy, the terms thereof being incorporated by reference herein; (c) the individual signing this Agreement consents to the processing of his, her or its personal data as an essential part of this sale; and (d) any processing of personal data pursuant to this Agreement is necessary for the performance of the contract between the parties and, furthermore, Keeneland has a legitimate interest in processing my data in the course of fulfilling its obligations hereunder.

Keeneland makes every effort to safeguard all personal data. However, the person signing this Agreement understands there are inherent risks associated with the transfer of personal data to Keeneland, including, without limitation, the risk of inadvertent or unauthorized use or disclosure or the risk of a security breach. By signing below, the undersigned, after careful consideration of these risks, hereby expressly and voluntarily consents to the transfer and processing of the undersigned's personal data on the terms and subject to the conditions set forth herein. The undersigned understands and acknowledges that the undersigned has the right to withdraw this consent at any time by emailing Keeneland at privacy@keeneland.com, and such withdrawal of consent will be effective immediately upon receipt by Keeneland.

(g) The following terms used in this Agreement shall have the following meanings:

- (i) "Agreement", "Keeneland" and "Purchaser" each has the meaning set forth on the other side of this page.
- (ii) "Catalogue" means Keeneland's Catalogue for the sale at which Purchaser was the successful bidder of the Horse.
- (iii) "Conditions of Sale" means the "Conditions of Sale" as printed in the Catalogue and Announcements (as defined in the Conditions of Sale).
- (iv) "Horse" means the horse or other property described by Hip Number on the other side of this page, which reference to Hip Number is a reference to the Hip Number in the Catalogue. For purposes of a more detailed description of the Horse, the description of the Horse in the Catalogue is incorporated in this definition by reference and Keeneland may, in its sole discretion and at any time or times, attach a copy of the Catalogue page which describes the Horse to this Agreement or any financing statement(s).
- (v) "Secured Obligations" means any and all amounts now or hereafter owed by Purchaser (A) to Keeneland and/or the Seller in connection with the sale of the Horse to Purchaser, including the purchase price and any sales tax thereon, or (B) to Keeneland for any and all liabilities, debts, loans or other obligations of any type or types, regardless of whether connected with the sale of the Horse.
- (vi) "Seller" means each person or entity that had an ownership interest in the Horse immediately prior to the sale to Purchaser in connection with this Agreement.
- (vii) "Subject Property" means any and all of the following: (A) the Horse, (B) any and all rights or interests in or with respect to

any other horse, property or rights acquired by Purchaser at any sale or sales conducted or sponsored by Keeneland at any time during the 61-day period beginning 30 days prior to the date shown on the other side of this page and ending 30 days after the date shown on the other side of this page, (C) any and all documents, certificates, papers or rights relating to any or all of the items referenced in part (A), (B) or (D) of this sentence, including each certificate of registration and each stallion service or other breeding certificate, and (D) all products, progeny and proceeds of any or all of the foregoing.

(h) Purchaser shall be in default under this Agreement upon the happening of any of the following events or conditions prior to Purchaser's payment of the Horse's full purchase price to Keeneland, and satisfaction of all obligations of Purchaser to Keeneland:

- (i) Failure to pay the purchase price of the horse within 60 minutes from the fall of the hammer unless Purchaser's credit for such purchase price was approved in advance by Keeneland.
- (ii) Failure of Purchaser to pay the purchase price of the Horse within fifteen (15) days of the close of the Keeneland sale at which Purchaser purchased the Horse if Purchaser's credit for such purchase was approved in advance by Keeneland.
- (iii) Injury, death, sale or encumbrance (except the security interest granted by this Agreement) of the Horse or any interest therein, or the making of any levy, seizure or attachment thereon or thereof.
- (iv) Death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver for any part of the property of assignment for the benefit of creditors, by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Purchaser.

Upon such default and at any time thereafter, Keeneland as secured party shall have the remedies of a secured creditor under the Uniform Commercial Code as adopted in Kentucky.

(i) No waiver by secured party of any default shall operate as a waiver of any other default or of the same default on a future occasion. All obligations of the Purchaser shall bind his heirs, executors or administrators or his or its successors or assigns. This Agreement shall be construed and interpreted according to the laws of Kentucky, without regard to principles of conflicts of law.

(j) Purchaser shall be liable for any Kentucky Sales or use tax arising out of the purchase described herein and shall reimburse Keeneland and hold it harmless or any loss arising out of Purchaser's failure to satisfy this Condition, including payment of any interest, penalties and attorneys' fees.

(k) In this Agreement, (i) the word "or" is used in the inclusive sense of "and/or," (ii) the word "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding such term, (iii) unless the context clearly indicates otherwise, the singular shall include the plural and vice versa and the masculine gender shall include the feminine and neuter genders and vice versa, (iv) the term "herein" refers to any part of the Agreement, and (v) "Purchaser" shall include any and all parties purchasing the Subject Property.