PURCHASE AGREEMENT/LEASE AGREEMENT/LEASE TO BUY AGREEMENT

- Clearly establish Parties - full information including contact information and establishment of entity (i.e., individual, farm, or corporation)
- Detailed Horse Identification
  - Example
    - If the horse is breed registered/recorded or otherwise officially recognized by an organization, are all those identifications documented?
    - If the transaction involves breed registration and/or ownership transfer fee(s), does the agreement outline which party is responsible for those transfers, and at which point in the transaction the transfer will occur (i.e., are the breed registry transfer papers signed when the sale is final and a bill of sale is executed or at some other point during the transaction?)

- Fitness for use/contingencies/warranties
  - Example:
    - If the buyer expressly stated the intended use for the horse, will the horse meet the needs of its future owner?
    - Is the transaction contingent upon inspection of the horse and written certification by a licensed veterinarian (i.e., a pre-purchase exam)?
    - Is the transaction contingent upon providing access to horse’s veterinary records for buyer/lessee review?
    - Does the seller make any warranties as to the horse’s fitness or suitability or is the purchase “as is”?

- Price
  - Example:
    - Purchase price
    - Do either the buyer or seller have agents that require payment (commission) as part of the transaction?
    - Will commission(s) be deducted from purchase price prior to distribution of funds to seller, or will commission(s) be paid independently by respective parties separate from purchase transaction?
    - Is the buyer paying the seller directly or is the transaction being facilitated through an agent(s)?
    - If the transaction involves terms, are those terms (including finance charge assessments) spelled out?
    - Should the agreement indicate that the transaction is unencumbered (i.e., the seller/lessor has the authority to enter into the agreement and no liens or encumbrances exist)?
• Date of sale or lease period
  o Example:
    ▪ When will the horse become the legal property of the buyer?
    ▪ What is the lease period of this agreement?
    ▪ Can the lease be terminated early and under what conditions?

• Risk of Loss and Insurance
  o Example:
    ▪ Which party bears the risk of loss throughout the term of the agreement?
    ▪ Which party is responsible for maintaining insurance on the horse?
    ▪ Which party(ies) is/are the loss payee on an insurance policy?

• Governing Law
  o Example:
    ▪ Under which state’s laws will the contract be interpreted if there is legal action as a result of the contract?

Disclaimer: This list is available for informational purposes only and serves as a guideline for potential items to include in equine transaction agreements. The list is neither inclusive nor does it guarantee an enforceable and complete contract. The list is not intended to provide legal advice. You should contact an attorney to obtain advice with respect to drafting any equine transaction agreement.