

## Leasing Your Horse

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Horse leasing has always been popular, both for the horse owner and the lessee. The owner gets relief from the financial aspects of horse ownership and, in many cases, gets the satisfaction of knowing that the horse is being ridden or shown by someone who will do a good job, so value is added to the horse. The lessee gets to ride and perhaps show a horse that they would not otherwise be able to find or afford to buy. Win-win, right? Perhaps.

Horses are leased for a variety of purposes. One owner may lease a trail horse of “nominal” monetary value to a friend, while another may lease a valuable Grand Prix Jumper prospect to a junior or amateur rider wanting to enter the international arena of show jumping. Yet another person may lease an Arabian western pleasure horse for both the exposure of the horses’ bloodlines at the Arabian shows in hopes of selling offspring of that sire and for the exposure of the horse in increasing its value for sale purposes. The reasons run the gamut, as do the ranges in values of the horse, from a \$1000 trail horse to a \$250,000 Grand Prix prospect to millions of dollars in investments in both a horse and potential sales of siblings of that horse. The scope of a lease and the relationship between the parties may take that into consideration, but the “guts” of a lease should always be present and in writing.

As a general rule, the days of a handshake or a one-page lease that says “A” leases to “B” a horse named “XYZ” should be over. Unfortunately for many, those practices still exist. While the equine industry has become more sophisticated in recent years, the old ways die hard. An insufficient lease may lead to expensive litigation if a problem arises. So, you may want to spend a little money on an attorney at the outset, rather than face expensive litigation.

Make sure that you have a written lease that covers all bases. Your horse is a financial and emotional asset. Many form leases or leases that are thrown together by the parties so that the lessee can take or keep possession quickly fail to take into account matters that you may take for granted. As a horse owner, take nothing for granted.

Consider the following: Who is the lessee? Make sure it is not a minor who does not have the legal capacity to sign a contract. Are you in “community property” state? If so, then you need to take into account the marital status of the lessee and whether you are able to reach community assets if necessary. What is the term - the length of time - for the lease? Can the lease be renewed; if so, how? Is there an option to purchase the horse? How much is the lease and how often is it to be paid? Should the lease be paid by check or by wire transfer? If lessee has an option to purchase, does all or some of the paid lease apply to the purchase price? Show sufficient identification for the horse: breed, registry, height, color, sex, registration numbers and name. If the horse is a stallion or mare, can the lessee use it for breeding? What are the stipulations? Will you have a separate breeding contract? Get the home address and emergency contact numbers for the lessee. Get the name and address of the facility where the horse will be kept, along with the name, address and phone number of the trainer (and, in some cases, the barn manager). If your horse is insured, consult with your insurance agent before the lease is signed and before the horse is transferred. Your agent will need information on the lessee and the horse facility. Also determine who is going to pay the premium for the insurance. Will the lessee pay during the term? If so, have the lessee pay you as owner up front, then you can pay the insurance premium. The lessee should be responsible for “routine” maintenance (veterinarian, farrier.) As owner, you may want to set a schedule or speak with the trainer about the schedule. Discuss what is considered “routine” for that particular horse. Determine who is responsible and who makes decisions regarding serious illness or injury to the horse. Do you as owner want the right to approve the vet or farrier? Make sure that the facility is well-maintained and that your horse will get the kind of care and board it deserves. Determine how often the horse is fed and what it is fed, and outline any special needs the horse may have. Who is authorized to ride the horse – just the lessee or the lessee’s family, the trainer and the trainers’ assistants? Who is authorized to show the horse? Lessee should be responsible for all horse show expenses and for appropriate hauling to and from the shows, unless agreed otherwise. What types of shows can the horse go to; in what disciplines and at what levels? You may negotiate this again during the lease term as the horse progresses (or regresses). Make sure you have adequate release and indemnity language. Will you require liability insurance? What happens if the lessee defaults under the lease? What are your remedies as owner? Set up a procedure for notices to each other and the trainer. What state law governs the lease? What venue and jurisdiction?



The above list of considerations is not exhaustive, but should get you as an owner thinking of all of the possibilities – the combinations and permutations of what can happen when you let go of possession of your horse.

Your horse, regardless of discipline or breed, is important to you, your family, and, perhaps, your business. Make sure that through a well crafted lease you give your horse the consideration needed for its comfort, health and training and that you give yourself and your family or business the consideration you need for your protection and financial and emotional well-being.

Read more on leasing a horse >>

We recommend that you consult with an attorney who understands horses and can ask the right questions. Fennemore Craig's Equine Law Practice provides assistance with all aspects of equine law. For information please contact the Equine Law Practice chair, Sharon J. Oscar, at (602) 916-5473 or [soscar@fclaw.com](mailto:soscar@fclaw.com). Information also can be found at [www.fennemorecraig.com](http://www.fennemorecraig.com).

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