

Breach of contract

In the event of a breach of contract, whether this is a contract of sale or loan agreement, this is classed as a civil matter and professional legal advice needs to be sought.

Unfortunately the BHS cannot help to resolve civil matters. If you're a BHS Gold member you can get excellent free advice by calling the legal helpline using the number on the back of your membership card.

Loan Agreement



AGREEMENT FOR LOAN made on the 20[]

PARTIES

- (1) [Owner's full name] of [insert address] (referred to as the Owner)
- (2) [Borrower's full name] of [insert address] (referred to as the Borrower)

1 LOAN

1.1 This Agreement is made between the Owner and the Borrower and sets out the terms on which the horse described below is to be loaned by the Owner to the Borrower:

Name:	Height:
Age:	Sex:
Breed:	Breed Registration no:
Freeze mark:	Passport no:
Colour and description:	
Other:	

(referred to as the **Horse**)

- 1.2 The agreement shall in no circumstances be interpreted or construed as an agreement for permanent transfer or any other purpose.
- 1.3 It is agreed that that at no time is the Borrower the registered owner of the Horse and is not permitted to loan, lease or sell the Horse to any third parties.
- 1.4 The loan shall commence on [enter start] and end on [end dates] (the **Period**).
- 1.5 On the agreement of both parties the Period may be extended or renewed for a further period of time.
- 1.6 The Owner shall have absolute discretion to sell the Horse on whatever terms he/she sees fit without the agreement of or consultation with the Borrower, although this agreement must first be terminated.
- 1.7 [If the Horse is to be sold the Borrower may have first refusal at the price specified by the Owner.]

2 TERMINATION

- 2.1 The loan will terminate in the following circumstances:
 - 2.1.1 either party giving [insert number] days notice in writing to the other; or
 - 2.1.2 if either party is in breach of any of the terms of this agreement, unless the breach is remedied within [30] days of it taking place; or
 - 2.1.3 at the end of the Period without the need for any further notice

- 2.1.4 If the Horse does not fit the description given by the Owner or is not fit for the purpose required by the Borrower as set out in clause 3.3 overleaf
- 2.1.5 On the death of the Horse
- 2.2 On termination the Borrower shall be responsible for returning the Horse to the Owner.

3 THE HORSE

- 3.1 The Owner warrants that the Horse is as described and is sound, free from vices or other habits, good to box, shoe, clip, catch and in traffic save as set out in Schedule 1 to this agreement.
- 3.2 The Owner warrants that all known pre-existing health and/or dental conditions, vices, defects, habits or unusual characteristics of the Horse have been disclosed to the Borrower to the best of his knowledge and belief and the Borrower is taken to accept the horse with those disclosed above but with no other.
- 3.3 The Horse is loaned for the purpose of [insert details such as riding the horse/unaffiliated eventing]

4 RESPONSIBILITIES

- 4.1 The Borrower agrees to;
 - 4.1.1 keep the Horse at [insert name of premises] or such other premises as the Borrower deems appropriate although the Owner will be given [insert notice period] days' notice of any new address and will have a right to object to the new address and terminate this agreement if the address of keeping the horse cannot be agreed;
 - 4.1.2 provide day to day care to the Horse, including the provision of an adequate and suitable diet, stabling, bedding, grazing and environment and take all reasonable care to maintain the Horse in good condition at his/her own cost;
 - 4.1.3 ensure that the Horse shall only be ridden and managed by [insert name of person or persons, if relevant];
 - 4.1.4 ensure that the Horse shall only be used as a [riding horse and for unaffiliated competition – insert appropriate use]
 - 4.1.5 keep the Horse regularly and appropriately shod by a suitably qualified farrier of the Borrower's choice at his or her expense;
 - 4.1.6. keep the Horse routinely and timely fully vaccinated and wormed according to a recognised veterinary programme and keep a record of the same, at the Borrower's expense;
 - 4.1.7. allow the Owner reasonable access to the Horse at the address specified above at any reasonable time;
 - 4.1.8. be responsible for ensuring prompt and required veterinary treatment by a registered and qualified veterinary surgeon at all times. The liability for payment of the aforesaid veterinary treatment lies solely with the Borrower. The vet to be consulted for any treatment of the Horse is of or colleagues at that surgery. The Owner agrees to repay to the Borrower any veterinary or other fees or expenses the Borrower has paid out that are

recovered from the insurers by the Owner. The Borrower will be responsible for any excess payable on any claim unless otherwise agreed by the Owner;

4.1.9. notify the Owner if the Horse suffers any serious illness or injury and notify the Owner in advance if possible of any requirement for the Horse to have surgery or general anaesthetic or veterinary advice recommends euthanasia before treatment is carried out providing this will not lead to delay causing increased risk to the Horse or increased pain and suffering.

4.1.10. The Owner agrees that if a veterinary surgeon advises immediate euthanasia of the Horse to prevent further suffering in the case of severe injury and the Owner cannot quickly be contacted the Borrower may give permission to the veterinary surgeon on the Owner's behalf.

4.2. The Horse has the following specific requirements as set out in Schedule 2 to this agreement.

5 INJURY/ILLNESS/DEATH OF HORSE

5.1 In the event that the Horse sustains an injury or develops an illness that will prevent it from fulfilling the purpose set out in clause 3.3 for a period exceeding 30 days the Borrower may terminate the agreement and return the horse.

5.2 In the event of the Horse's death the Owner will be responsible for any euthanasia and disposal expenses.

6 EQUIPMENT

6.1 The Horse is loaned with items of equipment as set out in Schedule 3 to this agreement.

6.2 Such tack and equipment is and remains the property of the Owner and will be returned to the Owner at the end of the Period, or earlier if terminated in the same condition so far as possible, subject to fair wear and tear.

6.3 In the event of loss, damage or the item wearing out then a replacement item of the same or similar quality and value if purchased new should be provided by the Borrower on return.

6.4 All items purchased by the Borrower during the period of the loan not by way of replacement shall remain the property of the Borrower.

7 PASSPORT

7.1 The owner will provide the Borrower with the horses passport at the outset of the loan and the Borrower will keep this safely, ensure that it is kept up to date with any vaccinations and relevant veterinary treatment and return it to the Owner with the horse at the end of the loan period.

7.2 The Borrower will not seek to amend the details of the owner in the passport save in the circumstances of abandonment by the owner as set out in clause 11 of this agreement.

8 INSURANCE

[NOTE: The Owner may have to arrange the insurance and reclaim the premium from the Borrower, although this will depend on the insurer. Certainly, the Owner would have peace of mind if he knew the Horse was adequately insured.]

- 8.1. The Borrower is responsible for ensuring that the Horse is fully insured for veterinary treatment, third party liability, travelling, saddlery and tack at all times for its full value as agreed to be £XXX and the liability for payment of the aforesaid insurance lies solely with the Borrower.
- 8.2. If the Borrower fails to insure the Horse and its effects the Borrower assumes full liability for any loss or damage, including any third party liability.
- 8.3. The Owner does not permit the Horse to take part in any of the following activities under any circumstances:
 - 8.3.1. [Polo]
 - 8.3.2. [Hunting or drag hunting]
 - 8.3.3. [Breeding]
 - 8.3.4. [NOTE: any other activity of any kind not covered under the insurance policy]

9 ACKNOWLEDGEMENT

- 9.1. It is understood by the Borrower that horse care and riding carry their own inherent risks and at no time can the Owner of the Horse be held responsible for any injury, loss or damage at any time except as detailed below [select any options which may be applicable or remove];
 - 9.1.1. [the Owner may agree to look after the Horse if the Borrower is going on holiday]
 - 9.1.2. [if it has been agreed that the Owner is partly responsible for veterinary treatment or shoeing of the Horse];
 - 9.1.3. [if it has been agreed that the Owner will carry the expense if the Horse damages his rugs in the field – Note: rugs are not usually covered under tack insurance]

10 LIABILITY

It is understood by the Borrower that horse care and riding carry their own inherent risks and that they accept the responsibility to take care for their own safety and that of the Horse and third parties. It is agreed that at no time can the Owner be responsible for any adverse incidents, claims, damage or injury caused at any time during the loan period.

The Borrower agrees to indemnify the Owner against any claims arising due to damage or injury caused by the Horse in the loan period unless they are due to the negligence on the part of the Owner. More specifically, the Borrower will indemnify the Owner against any claims arising under the Animals Act 1971 during the loan period.

11 ABANDONMENT

- 11.1 The Owner will notify the Borrower of any change of address or contact telephone numbers or email address. The owner agrees to respond to any contact by the borrower and to co-operate should the Borrower

wish to terminate the loan agreement and return the horse in accordance with this agreement.

- 11.2 If the owner does not comply with clause 11.1 and the Borrower is therefore unable to locate the Owner using reasonable endeavours or the Owner refuses to accept the return of the horse the Borrower may register their details as owner/keeper in the passport and sell the horse with good title or find an alternative home for the horse if appropriate.
- 11.3 Any proceeds of sale will be (retained by the Borrower/apportioned with the Borrower retaining the amount of any outstanding fees or expenses owed to them and the balance provided to or, if the owners whereabouts are not known, retained for the owner for a period of 12 months post sale./If the owner does not make contact within that period the borrower may retain all of the proceeds of sale – delete as appropriate)

SIGNED by [OWNER'S NAME] in the presence of:	SIGNED by [BORROWER'S NAME] in the presence of:
Witness	Witness
Signature	Signature
Address	Address
.....
Occupation	Occupation

SCHEDULE 1

1 THE HORSE

- 1.1 Any exclusions to warranty as appropriate, e.g. the horse is nervous in traffic, does not load in trailers, has Recurrent Airway Obstruction (RAO) which must be managed appropriately.

SCHEDULE 2

2 RESPONSIBILITIES

- 2.1 Insert specific requirements – for instance, must be turned out with at least one other horse/pony, must be stabled on shavings, has a specific feed supplement.

SCHEDULE 3

3 EQUIPMENT

3.1

- 3.1.1 Bridle [state make, size, bit, colour, condition, value and any security marks]
- 3.1.2 Saddle [state make, size, colour, condition, value and any security marks]
- 3.1.3 Rugs [state quantity, size, type, colour, repairs, and so on]
- 3.1.4 include other?