



Leone Equestrian Law LLC

Make the Horse Leasing Experience a Win-Win

By Armand Leone, Jr. | www.EquestrianCounsel.com

Leasing a horse can have positives as well as drawbacks, both for the person leasing out the horse (the “lessor”), and the person leasing the horse (the “lessee”). We’ve all heard horror stories about owners getting a horse back from a lease to find that the horse is unsound or has developed bad habits. At the same time, lessees can find themselves in a predicament if the horse is injured during the lease or turns out to be “not as advertised.”

On the flip side, there are many benefits to leasing. For horse owners, it means you’re able to retain ownership of your horse while allowing him to continue to do a job that he loves. There’s also an added bonus of potentially earning extra income from the horse, or covering the cost of ownership, without selling him. However, the benefits must be balanced against potential pitfalls. While leasing a horse once or over multiple years can prove financially advantageous, the lessor’s profit may dwindle quickly if the duration between the next lease is lengthy. Ownership of the horse in between leases can be costly, especially if the horse is being boarded. The lessor should consider both short- and long-term goals when making the decision to lease the horse.



Photo courtesy of **Jump Media**.

For lessees, the ability to move to a different horse as your skills advance can be helpful, especially for young riders advancing to new levels. Additionally, having a horse for a limited amount of time can be ideal for individuals who can only commit to riding or using the horse for a certain period. Similarly, some leases include the option to purchase the horse during the course or at the end of the lease period. This can be a huge benefit for a rider that wants to ensure that the horse will be a good fit before they make a purchase, and probably a long-term commitment.

However, because the lease of a horse involves the temporary transfer of control and use of a horse, commonly in exchange for a lease fee plus all maintenance costs, there will always be a level of risk associated with the leasing out or leasing of a horse. The majority of what a lessor and lessee can do to protect both themselves and the horse relates to having a detailed lease contract signed prior to the start of the lease.

The lessor and lessee should consider including the following elements in a lease contract, and come to an agreement on the details, before signing on the dotted line.

The trainer: The most important factors in deciding whether to lease out your horse is the stable the horse is going to and the trainer who will be responsible for managing the horse’s training and showing program. It is important to learn the qualifications and reputation of the trainer who will be in charge. Specify in the lease which trainer will be responsible for the horse and that a change in trainer can only occur with prior written approval.

Restrictions on use: This is your opportunity to put into writing anything that you may not want the horse to be used for or that exceeds its abilities and puts it at greater risk for injury. For instance, how high are you comfortable having him jumped? If you prefer that your horse is never jumped higher than 3-foot-6, have it written in the contract. If the horse is only to be used in hunter and equitation classes, include that as well. You may also want to limit the number of horse shows per month in which the lessee competes the horse, as well as limit the list of people approved to ride your horse. Think of anything that you may not be comfortable with and include mention of it in the lease.

Quality of care: The lease contract also provides the lessee with the opportunity to spell out the standard of care that the horse is expected to receive. As an example, if the horse is to be shod every six weeks, this can be mentioned. The contract can also elaborate on specifics such as ‘the horse should always be ridden in boots;’ ‘the horse should wear a sheet or blanket any time temperatures reach below 50 degrees Fahrenheit,’ and so on. Again, this is a golden opportunity to put into writing anything that would be pertinent and helpful in ensuring quality care of the animal throughout the lease term.

In case of injury: Any good lease contract should include information on what happens if death, injury, or illness occur. While we hate to think of it, these situations do arise, and all parties will want to be prepared if they do. In the case of lameness, who is responsible for the vet bills? If there is a known health pre-condition that may be a cause of future lameness (for example, navicular in the right front that hasn’t caused a problem yet), that can be incorporated into the lease as reason to terminate the lease and return the horse. Will the lessee have the option to return the horse and terminate the lease early if the horse becomes unsound for other reasons? In the tragic but possible case of death, what is the responsibility of the lessee (see insurance requirement below)? There is a lot to consider in these situations, and it should be well articulated in the contract and discussed thoroughly with all involved parties before the lease is signed.

Insurance: In that same vein, insurance requirements must be included in the lease contract. If the horse is insured prior to the lease, the contract could state that the lessee must continue to pay for the horse’s insurance coverage. If the horse is not insured, the contract must require the purchase of mortality and/or major medical insurance for the duration of the lease. Without major medical and an agreed-upon mortality payoff, both parties can be left with an unsound horse or a horse that has passed away, along with unpaid veterinarian bills.

Leasing is an important part of equestrian sport. Young riders outgrow horses both physically and performance-wise, and older riders may not be in a position to take on the permanent responsibility of owning a horse. The good and the bad of leasing is that you give the horse back at the end. When all goes well, it is a win-win for both parties.

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WHAT TO KNOW BEFORE A CATCH RIDE



Armand Leone & Jessica E. Chozer | January 5, 2021 | LegallySavvy

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Click the button below to read our article on Horse Network about how to protect everyone involved in a catch ride.

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For advice and counsel related to the equestrian industry, contact Leone Equestrian Law at info@equestriancounsel.com.

Led by Armand Leone, Jr., MD, JD, MBA, Leone Equestrian Law LLC provides legal services and consultation for equestrian professionals ranging from riders and trainers to owners and show managers in the FEI disciplines on a wide variety of issues.

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