

**MEMORANDUM OF AGREEMENT
ENTERED INTO BY AND BETWEEN**

ID Number: _____
Address: _____
(hereinafter referred to as the "Seller")

AND

ID Number: _____
Address: _____
(hereinafter referred to as the "Buyer")

WHEREAS the seller is the owner of the horse as detailed in Annexure "A" hereto (hereinafter referred to as the "HORSE") ;

AND WHEREAS the BUYER wishes to purchase the HORSE;

AND WHEREAS the SELLER wishes to accept the BUYER's offer on certain terms and conditions as set out herein;

AND WHEREAS the parties have reached agreement governing the purchase of the HORSE and wish to reduce the agreement to writing ;

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

1. PURCHASE

The BUYER hereby purchases the HORSE from the SELLER, who hereby sells the HORSE to the BUYER, subject to the conditions contained herein;

2. WARRANTY, RISK and PAYMENT

- 2.1 The purchase price payable in respect of the HORSE is R _____ (Rand _____), which payment shall be effected in one instalment, received by the SELLER prior to the removal of the HORSE from the possession of the SELLER. In the event that payment is to be effected through a bank transfer or cheque, such payment will not be deemed to be received by the SELLER until such time as such payment is cleared into the SELLER's bank account;
- 2.2 The BUYER will be responsible for any other costs associated with the purchase of the HORSE including but not limited to any transport costs, vetting costs and any other costs directly associated with the sale of the HORSE;
- 2.3 All risk in and rights to the HORSE shall pass from the SELLER to the BUYER from the date of the receipt of payment by the SELLER;
- 2.4 The SELLER makes no representations and gives no warranties or guarantees as to the medical condition or capabilities of the HORSE, other than as recorded in this agreement. The onus is on the BUYER to satisfy him/her self as to the condition of the HORSE and its ability.

ALTERNATIVE

The SELLER makes the following representations regarding the HORSE's condition and ability, and it is recorded that these representations have been relied upon by the BUYER, are material to the decision of the BUYER to purchase the HORSE and induced the BUYER to purchase the HORSE. In the event that any of these representations is found to be false, this will constitute a material breach of the agreement and will afford to the BUYER the same rights of recourse as the SELLER has in terms of clause 6 hereof:

- a) The horse is sound, has no defect that has manifest itself in the last twelve months and no drugs of any nature, including homeopathic, are being administered to the horse;
- b) The horse is registered X grade and has Y points to go up a grade
- c) The horse jumped X grade X months ago;
- d) The horse has competed at X level in y discipline
- e) The horse has had the following vaccinations
- f) The horse boxes
- g) The horse has the following breeding
- h) ETC.

- 2.5 The SELLER shall hand over all the necessary registration papers and passport and sign all documentation necessary to record the change of ownership of the HORSE at the time of the completion of the sale.

3. RESOLUTIVE CONDITION

The parties acknowledge and accept that the SELLER has stipulated certain conditions under which the HORSE must be kept, which are more fully set out in clause 4 below. In the event that the BUYER fails to meet or maintain these conditions for a period of two (2) years from the date of signature of this agreement, the SELLER shall have the right to terminate this agreement, retake possession of the HORSE and repay to the BUYER the full purchase price of the HORSE. In these circumstances the increased or decreased value of the HORSE shall not be taken into account, the transportation costs for the return of the HORSE shall be for the SELLER's account, and the BUYER shall not receive any compensation for the cost of stabling, transportation or veterinarian costs for the period that the HORSE was in his or her possession.

4. OBLIGATIONS OF THE BUYER

- 4.1 The BUYER shall be obligated to provide care for the HORSE which shall include, but not be limited to, access to clean water at all times, appropriate and sufficient food, housing including clean, secure and dry stabling with suitable bedding. Such care shall also include ensuring that the horse is appropriately vaccinated and a qualified farrier regularly attends to its feet. The HORSE shall be allowed access to an open paddock for periods during the day and shall not be kept confined in a stable. The HORSE shall be periodically groomed and kept free of parasites, and be dewormed. In the event of the HORSE becoming ill it shall receive timeous and appropriate veterinarian care;
- 4.2 The HORSE shall not be used for a purpose for which it is not intended, which intention is recorded as _____.
- 4.3 Any dispute about the quality of care of the HORSE in the application of clauses 4.1 and 4.2 above shall be subject to arbitration by the manager of the Highveld Horse Care Unit, whose decision shall be final and binding on the parties and shall be conducted in accordance with the arbitration Act applicable in South Africa from time to time.

4.4 The BUYER shall not be entitled to on sell the HORSE within a period of two years from the date of this agreement without first giving the SELLER the opportunity to re-purchase the HORSE at the price offered to the BUYER by an independent third party buyer, which offer will be reduced to writing and presented to the SELLER who shall have Two (2) business days in which to accept or reject the offer.

5. PREMISES AT WHICH THE HORSE IS TO BE KEPT

The BUYER shall advise the SELLER of the premises where the HORSE is to be kept and any alternative premises should the HORSE be moved within the two year period during which the SELLER shall have the right to invoke the resolutive condition. Prior to the BUYER being entitled to remove the HORSE from the SELLER's premises, the SELLER shall have the right to physically inspect the premises. In the event that the premises do not meet the conditions set out in clause 4 hereof, the SELLER may refuse to allow the delivery of the HORSE, regardless of the payment of the purchase price. The BUYER shall be given five (5) business days during which to correct the conditions or find alternative suitable premises for the HORSE.

6. BREACH

6.1 In the event of the BUYER breaching any of the terms of this agreement, alternatively mistreating or neglecting the HORSE (which shall be determined by reference to the HIGHVELD HORSE CARE UNIT) and remains in default for 20 business days after having received written notice requiring it to rectify the breach then and in such event and in addition and not in substitution for any other claims or rights of action which the SELLER may have in the circumstances the SELLER shall have the right, but shall not be obliged:

- a. forthwith to cancel the agreement by invoking the resolutive condition and to resume possession of the HORSE;
- b. to vary the sale agreement;
- c. to claim from the BUYER all damages, direct or indirect which the SELLER may sustain whether or not the sale agreement is cancelled.

7. DOMICILIUM

The parties choose their respective "domicilium et executandi" for all purposes under this agreement, including for the purpose of serving notices or legal processes in connection with or arising from this agreement, or the cancellation thereof, the following address:

(a) BUYER :

(b) SELLER :

8. JURISDICTION

The parties hereto consent to the jurisdiction of the Magistrate's Court irrespective of the quantum involved in any action that may arise from this agreement.

