

PET PLACE INTERNATIONAL CONDITIONAL BILL OF SALE AND ADOPTION AGREEMENT

This Conditional Bill of Sale and Adoption Agreement is made and entered into as of the last date listed below, by and between Pet Place International Adoption Program, a Californian non-profit (hereinafter "PPI") and the person signing below (hereinafter "Adopter")

For valuable consideration as hereinafter described, the parties agree as follows:

1. **Adopted Horse.** Adopter hereby adopts the horse identified in this Paragraph subject to all the terms and conditions of this Agreement. Horse: Name:

_____, Tattoo or Registration Number:

_____.

2. **Adoption Fee.** Adopter shall pay PPI a one-time "Adoption Fee" of \$_____, which sum shall be due and payable upon execution of this Agreement by both parties hereto.

3. **Title, Liability and Risk of Loss.** Title, Risk of Loss and Liability with respect to the Adopted Horse shall pass to the Adopter upon receiving physical possession of the Adopted Horse at the premises of PPI and upon accepting possession thereof, or through its transportation agent. Adopter does hereby indemnify and hold harmless PPI with respect to all claims whatsoever related to the Adopted Horse, including, but not limited to, its reasonable attorneys fees incurred in connection with the response to or defense of, any such claim. Adopter shall be solely responsible for transportation and costs thereof for removal of the Adopted Horse from PPI's premises and for obtaining a valid health certificate prior to such transport.

4. **Trial Period, Limited Right of Return.** Adopter shall be granted a period of sixty (60) days following the receipt of physical possession of the Adopted Horse by the Adopter to determine suitability of the Adopted Horse ("Trial Period"). If the Adopted Horse is unsuitable to the Adopter for any reason the Adopter may return the Adopted Horse to PPI as follows:

(i) Notice of the intent to return the Adopted Horse must be received in writing by PPI within the Trial Period via the RETURN INTAKE FORM.

(ii) If Adopter elects to return the Adopted Horse, Adopter shall be solely responsible for arranging and paying for all transportation costs incurred for return of the Adopted Horse to PPI.

(iii) The Adopted Horse must be returned in the same or better condition it was received, including but not limited to weight, condition, vaccination/deworming/shoeing status.

(iv) If Adopter complies with Section 4(i) through (iii), PPI shall provide the Adopter with an Adoption Credit equal to the Adoption Fee paid. If Adopter returns the Adopted Horse but fails to comply with Section 4(1) through (iii), the Adoption Fee or Adoption Credit shall be forfeited by Adopter.

(v) Pet Place International will notify the Adopter once there is a space available for the

Adopted Horse to be returned. Under no circumstances shall an Adopted Horse be dropped off without notice/prior approval of PPI in order that PPI may have a stall available.

5. Boarding Agreement. Prior to removal of the Adopted Horse from the PPI premises, Adopter shall provide PPI with a written document signed by an agent of the facility to which the Adopted Horse is being transported and will be boarded (“Boarding Agreement”) in the form attached hereto as Exhibit A. The Boarding Agreement shall include the contact person, physical address and phone number of the boarding facility, a written acknowledgment that: (i) the boarding facility has been provided with a copy of this Agreement, (ii) agrees to be bound by all its terms and (iii) that any claim for board shall be subordinate to the rights of PPI under this Agreement.

6. Reporting/Inspection Term of Agreement. The parties hereby agree that the (“Probation Period”) for purposes of Adopter Reports and Inspection, the inspection and reporting term shall be for a period of 12 months from the date of execution of this Agreement. During the Probation Period of this Agreement Adopter agrees to provide:

A. Update Reports. At the conclusion of the third, sixth and twelfth month following the date of execution of this Agreement, or as requested by PPI (and within seven (7) days of serious injury, illness or death of the Adopted Horse), Adopter shall provide a written update report to PPI which shall include:

- (i) A current body photograph of the Adopted Horse without blanket or tack taken within 15 days of submission; and
- (ii) A narrative description of the Adopted Horse’s progress and condition on the Update Report Form and any additional information requested by PPI; and

- (iii) Complete information concerning any change in the boarding facility, horse location, Adopter address, email, phone number; or
- (iv) In the event of serious injury, illness or death, a complete signed veterinary report.

B. Information/Inspections.

- (i) Upon seven (7) days notice from PPI, Adopter shall provide copies of any veterinary records, receipts or reports concerning the Adopted Horse;
- (ii) Adopter shall provide fourteen (14) days advance written notice to PPI prior to relocating the Adopted Horse;
- (iii) Adopter expressly authorizes PPI representatives to inspect the Adopted Horse at any time, at any location, including but not limited to, any private stable location.

7. Prohibited Acts/Sale of Horse. Adopter expressly agrees that the Adopted Horse shall not be placed in training as a racehorse, entered into a race, be offered for sale at public auction, be sold directly or indirectly for the purpose of slaughter, or be used as a means of transportation on any public roadway. Adopter shall NOT have the right to sell the Adopted Horse to a third party except under these conditions:

- (i) It is beyond the 12 Month Probationary Period set forth above and all Updates (details in Section 6) have been submitted and confirmed received by PPI.
- (ii) Written Notice of a proposed sale is immediately provided to PPI which contains the terms and conditions of a bona-fide third party offer (“Offer”) and PPI shall have the right, but not the obligation, to purchase the Horse at the same price as the Offer (“Right of First Refusal”) and PPI shall arrange transportation to a PPI facility.
- (iii) PPI upon receiving the above notice declines its Right of First Refusal.
- (iv) PPI MUST be provided with a copy of the fully executed written Adopter Bill of Sale attached hereto as Exhibit B.

8. Standard of Care. In caring for the Adopted Horse, Adopter shall exercise the degree of care, at a minimum, as set forth and shall include customary farrier, worming, vaccination and nutrition sufficient to maintain the Adopted Horse at a minimum score of 4 on the Henneke Scale <http://www.habitatforhorses.org/the-henneke-body-condition-scoring-system/>.

9. Limited Option of PPI to Void Adoption Agreement. It is expressly agreed that PPI shall have the right, which is hereby granted, to give written notice to Adopter of the voiding of this Agreement, for any reason, whereupon all right title and interest in the Adopted Horse shall immediately revert to PPI which may immediately retake possession of the Adopted Horse without further legal action and without further legal recourse by Adopter and with no refund of any Adoption Fee. Adopter further expressly agrees that PPI shall be entitled to immediate injunctive relief in order to enforce the terms of this paragraph by virtue of there being no other adequate legal remedy for such enforcement. In the event of the exercise by PPI of its rights under this paragraph, Adopter shall be obligated to pay all costs incurred by PPI in enforcing this paragraph, including, but not limited to, its reasonable attorneys fees.

- (i) Pet Place International may, in its sole discretion, conduct random and unannounced visits to inspect the Adopted Horse and its environment.

(ii) If PPI in its sole discretion determines that Adopter is not in compliance with this Agreement or that the Adopted Horse is in an unsatisfactory condition or environment, Pet Place International shall have the right, but not the obligation, to (i) terminate this Agreement; (ii) terminate all interest and rights of possession that Adopter or its assignees may have in the Adopted Horse; and (iii) take possession of the Adopted Horse as provided in 9(iii) below.

(iii) If PPI reclaims possession of the Adopted Horse, the following shall apply; (i) no court order shall be required for PPI to enter upon the facility in which the Adopted Horse is kept and to reclaim possession of the Adopted Horse; (ii) Adopter agrees to indemnify, release and hold harmless PPI from any and all liability or claims associated with any expenses (including, without limitation; board, veterinary fees, farrier charges, transportation fees) related to possession of the Adopted Horse up to the date that the Adopted Horse is returned to PPI. (iii) Adopter further agrees to indemnify, hold harmless and release PPI from any and all liability or claims associated with PPI's exercising its rights to reclaim the Adopted Horse. (iv) Adopter shall not be entitled to the return of the Adoption Fee.

10. Warranties and Disclaimers. PPI hereby warrants and represents that it is the owner of the Adopted Horse and has full right and title thereto for purposes of entering into the terms of this Agreement. Adopter warrants and represents that all information contained in the Adoption Application is true, correct and complete. PPI MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED,

INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE ADOPTED HORSE, OR ANY OTHER EVENT, COVENANT, CONDITION OR OCCURRENCE, INCLUDING WITHOUT LIMITATION, THE TEMPERMENT OR SUITABILITY OF THE ADOPTED HORSE FOR RIDING, ALL OF SUCH WARRANTIES BEING SPECIFICALLY DISCLAIMED. ADOPTER THEREFORE ACCEPTS THE ADOPTED HORSE ON AN "AS IS" AND "WITH ALL FAULTS" BASIS. ADOPTER ACKNOWLEDGES THAT PPI MADE NO ORAL REPRESENTATIONS OR WARRANTIES.

11. **Penalty.** Should Adopter default or breach the terms of this Agreement, Adopter shall be obligated to pay \$5,000 to PPI in damages within 10 days of notification to Adopter of the breach or default. If Adopter sells the Adopted Horse in violation of this Agreement, Adopter shall pay PPI \$5,000 or the Sales Price of the Adopted Horse, whichever is greater, within 10 days of notice to Adopter by PPI and may be immediately placed on the "Do Not Adopt" list for PPI and PPI shall notify all adoption agencies of such breach.

12. **Choice of Law, Venue and Warning.** This Agreement shall be governed and construed according to the laws of the Commonwealth of California and venue for any action brought to enforce its terms shall be vested in the San Bernardino Circuit Court, to the jurisdiction and venue of which Court both parties hereby consent. This Agreement shall be binding upon the parties, their respective heirs, successors and assigns. The waiver of any provision hereof by PPI on any one occasion shall not effect a waiver of any provision hereof or of any provision of any other agreement to which PPI is a party. This Agreement is the entire Agreement and may be modified only in writing and this Agreement may be executed in counterparts, by fax, original or electronic signatures.

WARNING

UNDER CALIFORNIA LAW, A FARM ANIMAL ACTIVITY SPONSOR, FARM ANIMAL PROFESSIONAL, OR OTHER PERSON DOES NOT HAVE THE DUTY TO ELIMINATE ALL RISKS OF INJURY OR PARTICIPATION IN FARM ANIMAL ACTIVITIES. THERE ARE INHERENT RISKS OF INJURY THAT YOU VOLUNTARILY ACCEPT IF YOU PARTICIPATE IN FARM ANIMAL ACTIVITIES.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the last date below written:

PET PLACE INTERNATIONAL ADOPTION PROGRAM "PPI"

BY: _____ DATE: _____

ITS: _____

"ADOPTER"

BY: _____ DATE: _____

PRINT NAME: _____

Address _____

Phone _____

Email _____

“ADOPTED HORSE “

REGISTERED NAME: _____ TATTOO/

REG#: _____

The Adoption Agreement must be filled out, faxed to the facility where the horse is

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