



# More Than Just a Handshake

By Whitney Allen

**B**uying or selling a horse can be daunting. Finding the right horse for the right owner/rider is challenging in and of itself. Add agents, veterinarian examinations and price negotiations, and you can quickly find yourself in a vulnerable position with more questions than answers. You might even find yourself on the wrong side of the law.

In today's ever-changing sea of laws, regulations and industry norms, it's imperative for buyers and sellers alike to educate themselves and have the right tools for decision-making.

In the 2015 January issue of *USHJA In Stride*, the Equine Transaction Laws Educational Campaign was introduced. Developed by the USHJA Owner's Task Force, it provides buyers and sellers with the resources needed to execute an open sales process, including three key agreements: the Agent Disclosure Agreement, the Purchase-Sale Agreement and the Bill of Sale. The introductory article, "Empowerment Through Education," provided an overview of the campaign and highlighted the key components of the Agent Disclosure Agreement.

The next step is to execute a Purchase-Sale Agreement. This agreement should be detailed in nature and clearly describe the animal being sold. It should include a physical description, known vices, injuries or illnesses as well as any existing behavioral issues. The agreement should also include the agreed-upon sale price, a statement of who will be receiving commissions and the transfer-of-possession plans.

*This information is offered solely as an educational service to the USHJA community and the general public. This content is not intended to provide nor does it constitute legal advice or legal opinions and should not be relied upon as legal advice or opinion.*

## THE KEY ELEMENTS OF A PURCHASE-SALE AGREEMENT ARE:

- Date of Agreement
- Names and Addresses of Seller and Seller's Agent
- Names and Addresses of Purchaser and Purchaser's Agent
- Detailed Description of the horse being sold
  - ◆ Name/Color/Markings/Breed/Sire/Dam/Sex/Tattoo/Age
- Documents to support/descriptions
  - ◆ Passport/ Registry Papers
- Purchase Price
  - ◆ Date when payment is to be made
  - ◆ Statement of who is responsible for payment
  - ◆ Statement of who is responsible for paying commissions
  - ◆ Statement of who is receiving commissions
- Transfer of Possession
  - ◆ Statement of when and where horse will be delivered
- Purchase Contingency
  - ◆ Veterinary Examination
- Obligation to purchase subject to an inspection and written certification by a licensed veterinarian selected and paid for by the Purchaser
  - ◆ Certification that states Purchaser's satisfaction
  - ◆ Statement of whether horse is in good physical condition and fit for the intended purpose or use
  - ◆ Veterinarian's name and timeline for examination/inspection
- Seller's Representations and Warranties
  - ◆ Statement of horse's physical condition
  - ◆ List of any and all known medical conditions, vices and medical treatments
  - ◆ Veterinary Records and Examination
  - ◆ Seller provides copies and/or access to horse's vaccination records, as well as any other records
  - ◆ If Purchaser fails to secure documentation and review records in a timely fashion prior to the execution of the sale and transfer of horse, it's at Seller's own peril and he/she waives the right to condition the validity of sale on the basis of non-disclosure of said records
  - ◆ Seller statement of horse's behavior
  - ◆ List of all known behavior issues
  - ◆ Transfer of Possession and Registration
  - ◆ Upon Seller's receipt of the full Purchase Price, Seller promises to deliver possession of the horse and provide Purchaser with horse's registration papers, if any, and documents necessary to transfer registration
- Statement of authority to enter into agreement and execute sale
- Statement of the location in which the parties have mutually agreed that this Agreement shall be drawn up, with the understanding that all local governing laws and regulations apply
- Signature of Seller
  - ◆ Date of Signature
- Signature of Purchaser
  - ◆ Date of Signature

*While required by law in some states, this agreement should be considered a **Best Practice** for all horse transactions when brokering the sales process. Sample agreements are available on the USHJA website in the Owner's Resource Guide, located under the "Resources" tab.*