



**EQUESTRIAN
CANADA'S BEST
PRACTICES
GUIDE FOR**

**BUYING AND
SELLING A
HORSE**



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INTRODUCTION

In November 2011, the Industry Council of Equestrian Canada held its first Equine Industry Forum and one initiative which was identified at this meeting was the need for a comprehensive publication which addresses the best practices recommended for buying and selling a horse.

This Guide is primarily geared to the buyers and sellers of sport horses that are, or will be ridden under saddle. However, these best practices apply to all horses and ponies, and are recommended as the best practices that should be followed by all members of Equestrian Canada.

The intent of this Guide is to provide education to both buyers and sellers so that each party will better understand the issues involved with buying a horse and the result will be a sale transaction that is satisfactory for both the buyer (or “the purchaser”) and the seller (or “the vendor”) and including any agent(s) involved in the transaction.

There are many responsibilities involved with the proper care and handling of horses, and the owner of a horse(s) is taking on a very serious long term responsibility to ensure their animals are properly taken care of and have the best of care for a healthy, happy life. Equestrian Canada recommends all owners of horses refer to the, “Code of Practice for the Care and Handling of Equines – 2013”. This comprehensive document was completed in partnership with the National Farm Animal Care Council (NFACC) and can be found on either the Equestrian Canada website at: www.equestrian.ca or the NFACC website at: www.nfacc.ca. Horse owners should reference section one of this document, “Duty of Care.”

A) HOW TO GO ABOUT BUYING THE RIGHT HORSE FOR YOU.

Horses are complicated animals, and it takes years of experience to gain the necessary knowledge and skills to evaluate them and find the most suitable horse for you.

Buying a horse involves not only the initial purchase price, but an ongoing large financial commitment in terms of upkeep and costs such as board, farrier, veterinary, and training. It is essential to follow best practice guidelines as both the purchaser of a horse, and the vendor, in order to avoid future complications.

Unless you are extremely experienced, it is best to speak with your trainer and/or coach, to discuss the general characteristics of the type of horse that should be sought for your needs. You can also get additional guidance by speaking with your equine veterinarian and other horse professionals you may know.

As your research progresses, you will gain an understanding of the current market for horses and the range of asking prices based on age, ability, size, etc. This will help you set a budget that is right for you. Before finalizing your personal price range, remember to include auxiliary costs, such as that of a professional, if one is assisting you; the cost of a veterinary pre-purchase exam(s), if you intend to have one performed; and the cost of transporting the horse.

It is also essential to properly evaluate the current level of your riding ability and what aspirations you have for the horse you want to buy. Decide what age range, size range, and level of training or show experience is most suitable for your needs. Then set your budget and begin looking at horses that fall within your price range. Additional criteria that may or may not enter into your selection process might also include the temperament and personality of the horse, the sex, the breed or registration, and perhaps even the colour.

As stated above, if you are using a professional to help you search for and evaluate horses, you should expect to pay for this service. This can be done by way of a fee for the time spent with you, or through a commission on the selling price of the horse (see section on agents, commissions, and finder's fees for details).

There are a number of avenues to explore to find horses for sale. Below is a list to help you start your process.

1. Online equine websites that have listings for horses for sale.
There are many of these websites available, and most horse magazines have now moved their horse for sale listings to their websites.
2. Websites for local stables that cater to your discipline; many will have horses for sale listings.
3. Websites for breed associations; some have sale listings and may have links to members' and breeders' websites.
4. Attend horse shows and speak with people to find out what is for sale.



Photo courtesy of Michael Boyd

5. Speak to people in your area involved with horses and ask what horses are for sale.
6. Go to equine expositions (most areas usually have one or more each year). For example, the Royal Agricultural Winter Fair in Toronto, Ontario, is a great place to look for horses for sale, especially for hunters and jumpers. The fair is usually held every November each year.
7. And finally, go to auction sales. This is especially true for Thoroughbreds and Standardbreds, although auctions are becoming more popular for riding and sport horses (see section on Auction sales).

The next step is to go inspect and tryout the horses you have identified as being within your price range and suitable for your needs. If you are looking at young horses (less than four or five years old), or less trained horses, you may ask the owner to lunge the horse or turn it loose to evaluate its movement and free jump if it is to be used for jumping. Trained horses, especially young animals, should be shown to you by their regular rider or trainer before you try riding the horse yourself.

Do not feel obligated to try a horse you feel is unsuitable based on your observations. Keep your own safety in mind at all times. As well, if the area where you are to tryout the horse does not appear safe and has obvious safety hazards, ask to try the horse in a different location. If you are interested in the horse after the initial visit, you may want to make additional visits to ride the horse again.

Take your coach/trainer with you or a person who is experienced in evaluating horses. If possible, take someone who can take a video of your tryout. This helps you evaluate how the ride looked, and is particularly useful if you are trying out a number of horses on a given day.

If you think a horse you have tried is worth further consideration, ask the owner/agent the following questions:

1. Has the horse had any health issues, for instance colic?
2. Has the horse had any operations or medical procedures?
3. Is the horse currently on any medications, or has it ever been on any medications in the past?
4. Does the horse have any vices, i.e. cribbing, weaving, pawing, kicking, biting, wood chewing, etc.?
5. Has the horse ever had a veterinary pre-purchase examination done? If so, are the x-rays and the written report available from this exam and/or can you get consent to discuss the exam with the veterinarian who conducted it?
6. Does the horse have any known behavioural problems?
7. What feeding program is the horse on and does it have any special issues, such as allergies or special feed requirements?
8. Does the horse require shoes? Has it been shod before and does it require any special shoeing?
9. Is the horse up to date on basic preventative health care such as vaccinations, deworming, and dental care?
10. What management routine is the horse accustomed to in terms of stabling and turnout?
11. And finally, has the horse travelled in a trailer before and if so, does it load and travel well?

If you are extremely interested in a horse, a further step to consider and speak to the vendor about would be to ask if you could move the horse to your facility for a few days to two weeks, for a trial. Though many vendors do not allow this, at minimum, the vendor should certainly allow a prospective buyer to come back several times to tryout the horse. If a longer tryout is agreed to by the vendor, the prospective buyer should expect to arrange and pay for all of the costs associated with the transport of the horse, to and from the vendor's facility if a sale is not finalized.

The key issue to be aware of during this type of trial at the purchaser's facility would be if an injury or illness were to occur to the horse while in the purchaser's care. The best solution to address this is for the potential buyer to place a full mortality insurance policy with the

owner named as the beneficiary. This type of policy generally costs in the region of three per cent for an annual premium of the value of the horse (i.e. insuring a horse for \$10,000 would be a \$300 annual premium). If the horse is purchased, the buyer can keep the policy in place and change the beneficiary to him or herself, or cancel the policy altogether. If the horse is returned to the vendor, the policy can be cancelled and a large part of the annual premium payment would be returned to the buyer. If an insurance policy is not obtained, the buyer and seller must both be aware of the potential risks involved in this type of agreement, and should speak in advance about how any potential issues would be addressed if they were to come up.

Purchasers should realize that a vendor must be very confident in the care that will be provided to their animal if a trial period is arranged. It is recommended that the parties draw up an agreement describing the dates/duration of the trial, responsibilities of each party, and restrictions of use of the horse during the trial. The vendor may ask for a deposit of as much as ten per cent of the sale price, some portion of which could be forfeited if an injury were to occur during the trial.

The conclusion of your search and tryout process will be to decide if you are going to make an offer to purchase the horse. A decision must be made at this point to determine if the sale will be conditional, subject to a satisfactory veterinary pre-purchase examination, or not. Depending on your level of experience, the use for the horse, and the amount of the purchase price, one could decide to a) forgo a veterinary exam and decide on the final selling price, b) have only a basic veterinary exam done evaluating the general health of the horse, i.e. heart, lungs, eyes, etc., or c) a full veterinary pre-purchase examination with x-rays and/or additional diagnostic methods such as blood evaluation or an endoscopy (for more, see section on Veterinary Pre-purchase Examinations).

Photo courtesy of Sky's Victory Photography



B) PREPARING AND MARKETING YOUR HORSE FOR SALE.

Just as buyers should be organized with their approach to finding the right horse, sellers will have the best success if they are prepared and organized as well. The following steps will give sellers the best chance for a successful sale of their horse.

1. Research the current market and look at the asking prices for similar horses. This will help you to arrive at a realistic asking price for the horse. Your coach/trainer may also be able to provide an accurate appraisal of the horse.
2. Ensure that your horse is in good condition and if under saddle, in regular work, so that it is ready to be shown to prospective buyers.
3. Have a few good photos of the horse that can be used for online ads and sent to prospective purchasers.
4. Have some video footage of the horse available. This may include lunging or free movement/free jumping of young horses, work under saddle, or even competition footage.
5. If the horse is of particularly high value, consider having your equine veterinarian do a basic pre-purchase exam with x-rays.
6. Have a good written description of the horse. What training has it had? Any vices? A health history, including medications and any special diet, should be included. Also be sure to describe the horse's positive traits. Describe what the horse is most suited for and not suitable for; give the whole picture. The description should include what the horse can do and may have difficulty coping with, such as loading on a trailer, being clipped, etc.
7. Decide if you will sell the horse yourself or use an agent.
8. If you are going to use an agent, it is advisable to have a written agreement. An example of this can be found in Appendix E (this document is meant as an example only and should be tailored for the specific circumstances and requirements of each situation).
9. Bear in mind that prospective purchasers may offer you less than your asking price, and/or the results of the pre-purchase exam may reduce the horse's value. Consider how negotiable you are willing to be in such situations: what is your bottom line?

C) BILL OF SALE/AGREEMENT OF PURCHASE AND SALE.

There are many forms of purchase agreements, and most professionals selling a horse will have a form of purchase agreement that they use. The buyer should take special care when reading the agreement and it would be advisable to have another knowledgeable

person review the agreement too. If the form of agreement is long, complex and has many special terms and conditions, it would be advisable to have a lawyer review the agreement as well, especially if the price of the horse is substantial.

A bill of sale is the most basic of documents. Put simply, a bill of sale conveys title to the horse from the vendor to the purchaser. An example of a basic bill of sale is found in Appendix (A). An example of an agreement of purchase and sale between the purchaser and vendor is found in Appendix (B). This document can include more information on the payment terms, transfer of ownership, warranties of the vendor and purchaser, and risk of loss prior to delivery. A bill of sale may also be necessary to prove title to the horse in order to obtain a passport for competition.

An agreement of purchase and sale with a form of warranty is found in Appendix (C). Sometimes, if there is an ambiguity over the findings of a veterinary pre-purchase examination, a limited warranty, provided by the vendor to the purchaser, is one method of mitigating risk to the purchaser. This document provides only one form of such warranty. The best practice for a vendor would be to make the terms of any warranty as specific as possible, and to limit the warranty to a term of no more than two years. Note, the basic premise of such a warranty should be that it applies only to a condition or finding described at the time of the pre-purchase examination.

It is stressed that the documents referred to above and in Appendices A, B, and C, are not suitable for all situations as there are other terms and conditions that may be required to fit a particular sale transaction. These attached documents are meant solely as examples, with the goal of providing general information to buyers and sellers so that they can think about what is suitable for their particular transaction and can tailor their agreements accordingly. More examples of these forms can be found through a brief internet search.

In Quebec, the form of purchase agreement or a bill of sale, may be different because the province is governed by the Civil Code versus Common Law, as it is in the rest of Canada. Cheval Quebec has examples of Sale Contracts and a Bill of Sale on their website at: **<https://cheval.quebec/Le-Cheval-Que-savoir-avant-dacheter-un-cheval-Les-contrats>**.

Once the agreement of purchase and sale has been signed, the purchase price has been paid, and ownership of the horse has changed hands, the horse is now the responsibility of the purchaser. If you intend to have the horse insured and do not want any gap between when the sale takes place and when the insurance coverage takes effect, it is best to begin the process of applying for insurance coverage sufficiently in advance of the sale being completed.

Best practice is for the vendor to receive full payment when the sale is completed and the horse should then be turned over. If payments are to be broken up and received over time, a down payment of at least 25 per cent of the purchase price is advised. If deferred payments are to be made, the best practice is for the purchaser to give the vendor a series of post-dated cheques for the balance of the sale price. The vendor should not give the purchaser the horse's registration papers or a certificate of ownership until full payment has been received. The agreement of purchase and sale should contain information on what happens if the purchaser defaults on making a deferred payment (or perhaps defined as two payments), such as the rights of the vendor to seize the horse and with what compensation (if any) to the purchaser.

D) VETERINARY PRE-PURCHASE EXAMINATIONS.

Once you have found a horse you think is a good match for your needs and you have agreed on a price with the owner, in many cases, the next step will be a pre-purchase examination (PPE) by an experienced equine veterinarian. Please refer to the "Code of Practice for the Care and Handling of Equines – 2013" in sections 1.1 "Pre-Purchase Considerations" and 1.1.1 "Pre-Purchase Veterinary Examinations" for additional information..

The purpose of the PPE is to identify any existing areas of disease or unsoundness in the horse, and to evaluate the potential for unsoundness to develop in the future. This information is important to the purchaser, both so that he or she can ensure that appropriate care can be provided to the horse, and so that there will be realistic expectations of the level of use and length of the horse's career. Some problems may be serious enough that the purchaser decides not to buy the horse. Other smaller problems may warrant a discussion with the vendor as to a reduction in the purchase price. The information from a PPE may also be useful for obtaining insurance and as a reference point, should the purchaser intend to sell the horse at a later date. Some breeders and owners may have a PPE (including x-rays) completed on young horses in order to determine if there are any issues present and, subsequently, how much time and training will need to be invested in the horse. The PPE also serves as a baseline for the horse and may be used for comparison in later years.

People buying their first horse, or any buyer who is not well versed in equine health, should understand that there is seldom a PPE where some finding does not turn up. In all cases, the finding should be carefully evaluated to determine whether the issue is significant enough to warrant not purchasing the horse. If the issue appears to be more serious, a second opinion could be sought from a different experienced equine veterinarian (or a board certified radiologist if it is related to a radiography finding).

Buyers must understand that there is seldom a perfect set of x-rays and seldom a horse which doesn't have some small finding. This is where the buyer must communicate very clearly to the equine veterinarian the intended use of the horse, the buyer's skill level, and the purchase price. A best practice would be for the equine veterinarian to have their client, the buyer, fill out a Buyer's Statement, an example of which can be found in Appendix D. In the end, it is the buyer who has the responsibility of determining if the horse is suitable for its intended purpose; the equine veterinarian is only expressing an opinion on the health of the horse at the time of the PPE.

It is also important for buyers to understand that the veterinarian's PPE is based on an examination of the horse at a specific time and it is not a guarantee that a future condition (that could impair the horse's soundness or health) will not develop. However, the veterinarian may be held to a standard of care where, if a condition does exist at the time of the PPE, the veterinarian should describe their finding(s) in a written report and communicate that to the buyer.

Buyers should be aware there can be a large variation in the reading of x-rays and other imaging technologies between equine veterinary practitioners. The new generation of digital x-ray equipment is a great improvement from older film based equipment and allows for the sharp imaging of features, which were previously not observable or clearly observable in film based x-rays. Buyers should consider their options. For instance, if the value of the horse is say, under \$3,000, is a full PPE necessary? In this case, buyers may consider having only a basic health evaluation done to evaluate the horse's eyes, heart, lungs, etc.

Even a basic examination will cost in the range of at least \$400 – \$600. A PPE with basic x-rays will likely cost in the range of \$800 – \$1,200, and a PPE with a full set of x-rays and/or additional diagnostics will likely cost in the range of \$1,500 – \$2,500. A suggested guideline is that if the value of the horse is anywhere from \$4,000 to \$15,000, an examination with a basic set of x-rays should be performed. For horses being purchased for more than \$10,000 to \$15,000, a comprehensive range of x-rays should be considered. The PPE cost is almost always paid for by the purchaser. It is recommended that the purchaser and/or their agent be present at the exam. Should a serious finding come up that will prohibit the sale of the horse, you may want to end the PPE before spending any more money.

When selecting an equine veterinarian to perform a PPE, the purchaser should select a practitioner who has not performed any work for the vendor and is free from any conflict of interest. The single largest determinant of the quality of PPE's tends to be the lack of experience the veterinarian has with performing PPEs. If possible, determine if the veterinarian has sufficient experience with the type of horse that the purchaser is looking at. It should also be expected that the veterinary will ask the purchaser to complete a PPE

Buyer's Statement (see Appendix D). This will ensure that the equine veterinarian is informed about the purchaser's intended use for the horse, selling price, level of riding skill, and other factors that will bear on the veterinarian's pre-purchase exam opinion.

Some vendors may ask the purchaser for permission to have access to the radiographs so that if there are any contentious finding(s), the vendor can seek a second opinion on the radiographs at his or her expense. The results of a PPE are the property of the client (the Purchaser) who paid for the PPE and they may or may not choose to give consent to the veterinarian to share this information.

WHAT IF THERE IS A SIGNIFICANT FINDING IN THE PPE?

Other than seeking a second opinion or walking away from the sale, the buyer has two options in this situation. Based on the veterinarian findings, the buyer could ask for some price concession to compensate for the level and type of risk indicated in the PPE. The other option would be to ask the seller for a form of soundness guarantee for a reasonable period of time. A suggested time limit would be for up to two years. The agreed upon terms for the warranty would be incorporated into the Agreement of Purchase and Sale (see Appendix C for an example).

Footnote:

Buyers should be aware that in Canada and the U.S., there are no standardized ways of recording or reporting PPEs to clients. There is also no system for categorizing radiography in order to demonstrate to a buyer the potential or probability of a finding becoming a problem. Canadian veterinary practice is to classify x-ray findings as normal, mild, moderate, or severe. However, the probability of a finding actually resulting in lameness or unsoundness is not defined, and may depend on the use and management of the horse over time. Using evidence based medicine, such as longitudinal studies, European veterinarians have developed a system to describe the probability of an abnormal finding potentially becoming a problem. In Germany, this system grades x-rays as follows:

Class I: Without specific abnormal radiological findings and findings categorized as anatomical variations (ideal condition).

Class II: Findings mildly deviating from ideal condition; appearance of clinical issues estimated at less than three per cent in an indefinite time (normal condition).

Class III: Findings deviating from normal condition; appearance of clinical issues estimated at five–20 per cent in an indefinite time (acceptance condition).

Class IV: Findings severely deviating from normal condition; appearance of clinical issues likely (more than 50 per cent) (risk condition).

(Note: Intermediate classification is also allowed as follows: Class I-II, Class II-III and Class III-V. For more information on this grading system refer to the Additional Resources section.)

E) AGENTS, COMMISSIONS, AND FINDER'S FEES.

It can take a great deal of time to sell a horse when you consider preparation, advertising, dealing with email and telephone inquiries and being available to properly present and show the horse to prospective buyers. If you are not able to do all this yourself the alternative is to hire an agent. There are a great many issues to be considered and should be defined in a written agreement with your agent. An example of a Sales Agent Agreement is found in Appendix E.

Commissions paid to an agent(s) have proven to be one of the most contentious areas in the process of buying and selling a horse. The best practice is that an agent, or agents, should only be paid one commission by the vendor of the horse and this amount should be disclosed to all parties. Problems can arise when there is also an agent acting for the purchaser. The commission or fee for an agent acting for the purchaser can be handled in three ways as outlined below.

1. The commission payable by the vendor is divided between the vendor's agent and the purchaser's agent. This is the model used in real estate sales.
2. The vendor pays his/her agent the commission that has been agreed upon and the purchaser pays his/her agent an agreed upon commission on top of the horse's selling price. This method will often lead to negotiations between the vendor, the purchaser and the two agents as to what the final selling price will be.
3. The purchaser pays his/her agent an agreed upon fee for each activity involved in acting for the purchaser to locate and purchase a horse regardless of the price of the horse.

A finder's fee is simply an amount paid to someone who refers a prospective purchaser to the vendor. The onus is on the person making the referral to ask if a sale results from the referral if a finder's fee will be paid. Otherwise a vendor may offer to pay a finder's fee for specific referrals. Written agreements are seldom used for these arrangements.

A finder's fee would usually be in the range of one-two per cent of the selling price but could be as high as five per cent if the finder is actively listing a horse for sale and generating referrals for the vendor. In all cases a finder's fee is absorbed by the vendor from the proceeds of the sale. Vendors must be cautioned that if an agent has been engaged to sell the horse for a specific period of time and the vendor accepts a finder's fee arrangement, the agent will also be owed the agreed upon commission from the proceeds of the sale and a finder's fee will be payable by the vendor outside of the commission payable to the agent.

F) AUCTION SALES.

In North America, the sale of sport horses through auction sales has not yet developed as it has in Europe. Auction sales for Thoroughbreds and Standardbreds, however, have been used for many years for the racing industry and there are many animal auctions where horses are offered.

The best type of auction is where the horses have had a basic veterinary health examination and at least a basic set of x-rays that are available for review. As well, the horses should be available for one to two weeks at the auction site for buyers to watch training sessions and for pre-arranged tryouts. Some auction sales of Thoroughbreds and Standardbreds will have a repository of x-rays for examination. For instance, the Canadian Thoroughbred Horse Society has a minimum requirement for 36 stipulated x-ray views that must be available prior to the auction. At these auctions, buyers may well want an independent veterinary opinion of the x-rays or even an examination prior to the auction if this can be arranged.

Some auctions may have a buyer's premium, which is a percent charge added to the final price charged by the auction house to cover administrative expenses, and that is added onto the hammer price. Buyers should read the terms of the auction sale very carefully before bidding. Buyers should always bear in mind that all sales are final at an auction and, unless there has been a misrepresentation about the horse that can be proven (such as age, registration, etc.), it will be very difficult to have a sale reversed.

The sale of horses on internet auction sites is becoming more common and a special note of caution should be taken when bidding on horses listed on internet auctions. If you can't arrange to see the horse yourself, at least arrange for a knowledgeable horse person to physically inspect the horse. With internet auctions of horses, the adage "buyer beware" should be followed, as horses may not be able to be inspected closely or tried for suitability from a distance.

G) WHAT TO DO IF ISSUES ARISE POST PURCHASE.

There are two most common types of issues that could arise after purchasing a horse. One occurs when the purchaser feels the horse is not performing as was portrayed or as described by the vendor. The second issue is related to health or soundness of the horse, arising post purchase.

Sometimes a riding horse may turn out to be more difficult to ride or just require a higher level of riding ability. This could especially be the case if the horse was only tried once or twice before purchase. There have been cases where a horse has been given a mild sedative before tryout and will seem to be an uncomplicated, easy ride. This, of course, is completely unethical and if it could be proven would in and of itself be enough to constitute having the sale reversed. The problem of course, is that barring evidence from a third party, it is highly unlikely this could ever be proven. If blood is drawn at the time of the PPE and should the purchaser become suspicious of such unethical practices, the veterinary clinic can test the blood for evidence of drugs or medications.

The absence (or presence) of vices and behavioural problems should be stated in the agreement of purchase and sale as a representation from the vendor to the purchaser. Should any unstated vices or behavioural problems occur within a reasonable time, post sale, this would give the purchaser grounds for a discussion with the vendor.

In both types of situations, the first action should be to discuss the problem with the vendor. Unless there are specific representations or warranties in the agreement of purchase and sale, there is no onus on the vendor to reverse the sale and take the horse back. The initial attempt should be to discuss the problems that are being encountered with the horse and see if there are any remedies available. Possible solutions could be some additional training subsidized by the vendor if the problem is ride-ability related. Some problems are unlikely to have a simple remedy unless the vendor is willing to reverse the sale or discuss some concession in the sale price. Purchasers should be aware that when a horse changes ownership, the vendor cannot be held responsible for issues that arise due to changes in the horse's stabling, management, training, or diet.

If a serious problem does occur and some resolution cannot be reached between the vendor and purchaser, buyers have little recourse but to pursue legal action against the vendor. Most people are unfamiliar with our legal system in addressing civil litigation and do not realize the time and cost involved in pursuing a legal claim above small claims court. If legal action is being contemplated, purchasers should consult a lawyer and first determine the limit of claims that may be pursued in small claims court in their jurisdiction.

Small claims courts have simplified rules and procedures and it is not necessary to have a lawyer represent you in small claims courts. In most provinces, the limit of a claim that may be addressed by a small claims court is currently \$25,000. Purchasers should check to see what the limit is in their province.

If the claim is for more than the small claims court limit, the matter must be pursued in a superior court. For those unfamiliar with pursuing a suit in Canada, it should be made clear that legal expenses will amount to many tens of thousands of dollars and it may take many years before the matter will be heard in court. If you are thinking about launching a suit for reversal of the sale, a litigation lawyer should be consulted to determine the facts of the situation, how the law would apply to your situation, and to discuss the costs and time involved in the process. There are lawyers who specialize in the law as it pertains to the purchase and sale of a horse. It may be advisable to consult with one of these practitioners rather than a lawyer who is unfamiliar with the law as it applies in these matters and who may be unfamiliar with all the relevant case law.

There is an alternative to lengthy and costly litigation in the court system, which is alternative dispute resolution (ADR). In the agreement of purchase and sale, the parties can agree to use an ADR process in the case of a dispute (see Appendices B and C). This process is less expensive and will take less time than resorting to a legal suit in the courts.

H) AFTERWORD

Equestrian Canada has provided this Guide in hopes that it will be a useful tool for people buying and selling horses. The Guide is meant to make the buying and selling process more understandable and less prone to complications. Members of Equestrian Canada should follow these best practices and adhere to the highest ethical standards whether selling a horse, or as an agent acting for the vendor.

Working with horses and riding is one of life's most pleasurable and rewarding activities. Equestrian Canada urges all of its members to always keep the best interests of our equine partners at the forefront of our thoughts. Readers should also reference the Code of Practice for Equines June, 2013 and the Code of Ethics of Equestrian Canada found at www.equestrian.ca.

Photo courtesy of
Dave Landry





Photo courtesy of
Dave Landry

ADDITIONAL RESOURCES

American Association of Equine Practitioners, “What To Expect When Owning a Horse”. Select “Find Equine Welfare Policies & Papers”, then select “Educational Resources”, and then select “What to Expect” at www.aeep.org.

Canadian Hanoverian Society, “Pre-Purchase Exam Standardized x-ray Evaluation Methodology”. Select the “Marketplace” tab at www.canadianhanoverians.com.

Thoroughbred Owners and Breeders Association (TOBA), “Sales Integrity Program” www.salesintegrity.org.



Photo courtesy of
Muriel Burnley

“The wind of heaven is that which blows between a horse’s ears;”
an Arabic proverb
No hour of life is wasted that is spent in the saddle;”

**There is something about the outside of a horse that is good for
the inside of a man;”**
quotes from Winston Churchill



Photo courtesy of
Dave Landry

APPENDIX A

BILL OF SALE

..... (“the Vendor”) is the owner of a
year old, (description of horse)
..... (name of horse) Sired by,,
and out of Mare,, foaled (MM/DD/YY)
(If registered with a breed society add):
is registered with the
Horse Association and has Life Number (Registration Number)
.....

The Vendor represents that he/she has free and clear ownership of
..... and has handed over the
registration papers (or ownership papers) to
 (“the Purchaser”).

The Vendor hereby agrees to sell and transfer ownership of
..... to the Purchaser for the sum of \$
(plus GST/HST) and acknowledges payment in full has been made.

Optional if used:

The Vendor has used “the Agent” to assist in selling
..... and will pay the Agent a commission of %
(\$) from the proceeds of sale.

Dated at, Province, this day of
..... Month, Year.

Vendor

APPENDIX B

AGREEMENT OF PURCHASE AND SALE

This Agreement is made this day of,
20, between,
hereinafter referred to as the Purchaser and,
hereinafter referred to as the Vendor.

The parties hereby acknowledge that this agreement is made for the purchase and sale of a horse described as follows in paragraph A below, on the following terms and conditions as set forth herein.

Now therefore, for good and valuable consideration, receipt of which the parties hereby acknowledge, the parties agree as follows:

A. Description of the Horse

(Registered)Name:
Registration (Life) Number:
Age:
Color:
Breed:
Sex:
Tattoo or Brand (if applicable):
Size:

B. Consideration

In consideration of the sum of \$ the Vendor agrees to sell and the Purchaser agrees to buy the said horse described hereinabove in paragraph A on the terms and conditions further set forth herein.

C. Payment Terms

The purchase is for cash and the Purchaser agrees to pay \$ as a deposit on the day of, 20; and the Purchaser further agrees to pay the balance due of \$ on or before the day of, 20

D. Registration and Ownership Transfers upon confirmation of payment in full as set forth in paragraph C above, and the Vendor agrees to promptly execute all necessary papers and to take all necessary steps to transfer ownership and registration of the animal to the Purchaser at no cost to the Purchaser.

E. Vendor Warranties:

1. The Vendor warrants that he/she has clear title to said horse;
2. The Vendor makes no other warranties, express or implied, including the warranties of fitness for a particular purpose except as may otherwise be provided for in this agreement;
3. The Vendor warrants that he/she has used “the Agent” to assist in selling the said horse and will pay the Agent a commission of % (\$) from the proceeds of sale;
4. The Purchaser warrants that he/she has had the option to review the condition and health of the horse, including any veterinarian examinations, at the Purchaser’s expense. In the event the Purchaser has had the horse examined by a licensed veterinarian as indicated in this paragraph E(3), then that veterinarian examination shall be attached hereto as Exhibit A.

F. Risk of Loss

1. Pending delivery to the Purchaser, the Vendor assumes the risk of loss of said horse, and upon delivery to the Purchaser, the Purchaser shall assume the risk of loss.
2. In the event of the loss of the horse prior to delivery to the Purchaser, the Vendor shall return to the Purchaser any deposit paid by the Purchaser.

G. Default

Upon material breach of this agreement by one party the other party shall have the option to terminate this agreement. On any breach, the other party shall have the right to recover expenses and costs.

H. Alternative Dispute Resolution.

Should a dispute arise after the completion of the sale, the parties agree to use Alternative Dispute Resolution to resolve the issue.

I. Law

This agreement shall be governed by the laws of the Province of

J. Entire Agreement

This agreement constitutes the entire agreement between the parties. Any modifications or additions must be in writing and signed by both parties to this agreement. No oral modifications will be considered part of this agreement.

Dated at, Province, this day of Month, Year.

.....

Vendor

Purchaser

APPENDIX C

AGREEMENT OF PURCHASE AND SALE

Between

..... (“the Purchaser”)

of

..... (Address)

And

..... (“the Vendor”)

of

..... (Address)

..... (“the Vendor”) is the owner of
a year old, (description of horse)

..... (name of horse) Sired by and
out of Mare, foaled Month Date, 20

(If registered with a breed society add: is
registered with the Horse Association and
has Life Number (Registration Number)

The Vendor represents that he/she has free and clear ownership of
..... (name of horse). The Purchaser acknowledges
the Vendor has handed over (name of horse)
registration paper (or ownership papers).

The Purchaser hereby agrees to purchase
(name of horse) from the Vendor for \$ (plus GST/HST).

The Vendor has used “the Agent” to assist in selling
(name of horse) and will pay the Agent a commission of %
(\$) from the proceeds of sale.

Radiographs taken during the veterinary pre-purchase exam taken by
Dr. DVM on
(Date) revealed the horse has abnormalities, more specifically

.....
.....
.....
.....
..... (exact description of the issue).

In the event these pre-existing condition(s) cause the horse to no longer be suitable for hunter/jumper competitions up to the (describe level), as certified by a qualified veterinarian (to be agreed upon by both the Purchaser and Vendor), the Vendor agrees to the following:

- 1) If such condition arise within a period of one year from the date of the purchase, the Vendor will replace the horse with another suitable horse of similar training, quality and equivalent cost as (name of horse) acceptable to the Purchaser.
- 2) If such condition does not arise until during the second year from the date of purchase, the Vendor will allow the Purchaser a credit of \$ or 80% of the original purchase price towards the purchase price of any new horse she buys from the Vendor.
- 3) If such condition does not arise until during the third year from the date of purchase, the Vendor will allow the Purchaser a credit of \$ or 60% of the original purchase price towards the purchase price of any new horse she buys from the vendor.

The pre-purchase report issued by Dr. DVM forms an integral part of this agreement. The Purchaser further agrees to make all radiographs that were taken during the pre-purchase exam available to the Vendor should the Purchaser make a claim under this agreement.

If the Vendor is not able to provide a replacement horse agreeable to the Purchaser, the Purchaser will be able to return (name of horse) to the Vendor upon 30 days notice and the Vendor will promptly refund to the Purchaser that portion of the purchase price depending upon the date of return. The costs of any such return will be for the account of the Purchaser.

This warranty expires on (Date)
Should the Purchaser wish to exchange (name of horse) for a horse at a higher price, he/she will have to reimburse the Vendor for the difference at the time of exchange. Should the parties to this agreement be unable to agree on the market value of the replacement horse, an appraisal of the replacement horse by a neutral third party to be agreed upon by both parties will be binding for both parties.

Alternative Dispute Resolution

Should a dispute arise after the completion of the sale, the parties agree to use Alternative Dispute Resolution to resolve the issue.

Dated at, Province, this day of Month, Year.

.....

Vendor

Purchaser

APPENDIX D

BUYER'S STATEMENT

This statement must be signed by the buyer or authorized agent of the buyer

| |
|--------------|
| Horse: |
| ID #: |

Name:
City: Province:
Postal Code:
Phones/Home: Cell:
Email:

1. How do you intend to use this horse (i.e. type of activity, level of activity, and time frame)?
.....
.....
.....

2. Describe the intended user's age, ability and experience
.....
.....
.....

3. How long have you been acquainted with this horse?
.....
.....

4. Have you tried out this horse? Describe how:
.....
.....
.....

5. How important are the following traits?

| | Very Important | Important | Not Important |
|-------------|--------------------------|--------------------------|--------------------------|
| Appearance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Performance | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Blemishes | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Temperament | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

6. How do you rate this horse's suitability for its intended use?

Unique Adequate Exceptional

7. What type of care will this horse receive?

- Intensive (continual care & supervision)
 Average (stabled daily for feeding)
 Casual (on pasture most of the time)

As the potential horse buyer, I understand that this pre-purchase exam does not warrant this horse's suitability for the purpose intended, and is limited by my statements and instructions on the depth of the exam desired, tests I requested, and the fee I agreed to pay.

Date:

Buyer's signature:

APPENDIX E

SALES AGENT AGREEMENT

Between

..... (“the Purchaser”)

of

..... (Address)

And

..... (“the Agent”)

of

..... (Address)

Whereas is the owner of (provide full description of the horse), a year old, description of horse, registered with the Association, registration number and the Owner hereby engages to act as exclusive Agent to sell

The asking price for the horse is \$, and may be changed upon mutual agreement of the Owner and the Agent. Upon closing of the sale of the horse the Agent will be paid a commission from the proceeds of the sale of % of the selling price plus applicable taxes.

The Owner agrees:

- a) To refer all inquiries about the horse to the Agent;
- b) To keep the horse fit for sale either by riding the horse himself or paying for training;
- c) To pay for boarding of the horse, lessons, training and coaching, vet and farrier costs, show and other competition fees as may be incurred;
- d) He is the sole owner of the horse and has free and clear title;
- e) That if he/she terminates this agreement the expenses listed in b) below will be paid to the Agent forthwith;

- f) To pay all costs owed to the Agent upon the termination of this agreement before taking possession of the horse;
- g) To enter into a purchase agreement directly with the buyer, accept payment and to pay the Agent the selling commission and any applicable taxes immediately after receiving payment.

The Agent agrees:

- a) The Agent agrees to keep the horse at and the horse will not be moved without the prior consent of the Owner;
- b) The Agent agrees to market the horse through his/her website, advertise the horse on suitable internet sites, take a video of the horse and photos, groom the horse for viewings, ride or present the horse to potential buyers. The Agent pays for these costs during the term of this agreement, but if the agreement is terminated by the Agent these costs will not be paid by the Owner;
- c) Provide the buyer of the horse with a purchase agreement;
- d) Under no circumstances will a commission be payable after the termination of this agreement unless the horse is subsequently sold to a party sourced by the Agent and to whom the agent showed the horse;
- e) The Agent can accept any unconditional offer to buy the horse, as long as the offer is at or above the asking price;
- f) For conditional offers or offers below the asking price, the Agent must convey all such offers to the Owner. The Owner and Agent must mutually agree on the terms of any counteroffer that is conditional or below the asking price;
- g) The Owner will accept payment for the horse and promptly pay the Agent the amount owing to the Agent.

This agreement will expire on Date unless an extension is agreed to in writing by both parties. This agreement may be terminated by the Owner or the Agent at any time upon three days written notice.

Dated at , Province , this day of Month, Year.

.....
 Vendor Purchaser



Prascend[®]
pergolide mesylate
forward thinking in PPID

BRING THEM BACK TO
THEIR FORMER GLORY
BY MANAGING PPID



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EQUINE

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TO LEARN MORE ABOUT PPID PLEASE TALK TO YOUR VETERINARIAN

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