

## **BUYER'S CHECK LIST FOR PURCHASE OF VESSEL**

- I. Sources to find yachts & ships
  - ☐ Ship Brokers
  - ☐ Publications
  - ☐ Computer and Internet Service
  - ☐ Yacht & Ship Brokers
  
- II. Sources of Advice
  - ☐ Maritime Consultants
  - ☐ Maritime Attorney
  - ☐ Accountants
  - ☐ Bankers
  - ☐ Surveyor
  - ☐ Documentation Services
  
- III. Determination of Type and Size of Vessel
  - ☐ Purpose of project
  - ☐ Capacity needed for project
  - ☐ Limitations on navigation in area to be served
  - ☐ Economic demand for service
  - ☐ Preparation of Business Plan
  - ☐ Dock and service facilities available in area
  - ☐ Crew size
  - ☐ Funds available
  - ☐ Cost of operations
  - ☐ Insurance estimates
  - ☐ Governmental limitations on service
  - ☐ Choice of flag
  - ☐ Age limitation on vessel
  - ☐ Can an existing vessel be retrofitted for project?
  
- IV. Purchasing the Vessel
  - ☐ Letter of Intent
  - ☐ Option to Purchase
  - ☐ Offer to Purchase
  - ☐ Contract to Purchase

- V. Closing Instruments and Instructions  
\_\_\_\_ Acceptance of Vessel  
\_\_\_\_ Authorization to bank to release purchase funds  
\_\_\_\_ Letter authorizing filing of Ship's Mortgage  
\_\_\_\_ Signing of Closing documents
- VI. Registration of Vessel  
\_\_\_\_ U.S. Registration  
\_\_\_\_ Foreign Registration
- VII. Sales and Use Tax  
\_\_\_\_ Is vessel subject to Tax?
- VIII. Insurance  
\_\_\_\_ General liability, hull and P&I, Jones Act  
\_\_\_\_ Pollution Certificate required?
- IX. \_\_\_\_ All Title documents secured and photocopied

**SELLER'S CHECK LIST  
FOR SALE OF VESSEL**

- I. Preparation for Sale of Vessel
- ☐ Obtain copies of USCG Document or other Title information
  - ☐ Obtain vessel Abstract of Title
  - ☐ Obtain all documents from Classification Society if classed vessel
  - ☐ Obtain copies of USCG license or certificates
  - ☐ Obtain GA of vessel
- II. Selection of Broker - Type of listing agreement:
- ☐ Exclusive
  - ☐ Non-exclusive
  - ☐ Net to Owner
- III. Investigation of Ship
- ☐ Obtain copies of any previous surveys
  - ☐ Determine if all class or surveyor recommendations have been completed
  - ☐ Photograph all areas of the vessel
  - ☐ Obtain inventory of all items on vessel
- IV. Brochure
- ☐ Prepare sales brochure
  - ☐ Prepare boarding and inspection instructions
- V. Negotiation Checklist
- ☐ Deposit requirements
  - ☐ Forfeiture of deposit
  - ☐ Inventory sold with ship
  - ☐ Place and time of delivery
  - ☐ Commissions to be paid
  - ☐ Responsibility for payment of dry docking and survey
  - ☐ Insurance coverage for vessel during inspections
  - ☐ Liability for vessel and persons on board during sea trials
  - ☐ Pro-rate of fuel and lube oils
  - ☐ Manner of acceptance after inspections
  - ☐ Manner and time of payment
  - ☐ Delivery of title and satisfaction of liens
  - ☐ Removal from dock or acceptance of wharfage fees
  - ☐ Waiver of warranties

- VI. Documents to be prepared
- ☐ Letter of Intent by Buyer
  - ☐ Offer to Purchase/Counteroffer
  - ☐ Option to Purchase
  - ☐ Contract to Purchase
  - ☐ Escrow Instruction Letter
- VII. Acceptance or Rejection of Vessel
- ☐ Notice of Acceptance of Vessel
  - ☐ Notice of Conditional Acceptance
  - ☐ Rejection of Vessel and demand for refund
  - ☐ Request for extension of time for inspection
- VIII. Closing the Sale
- ☐ Receipt of Notice to Owner that vessel is acceptable to purchaser
  - ☐ Notify Mortgage Holder of Sale
  - ☐ Preparation of Bill of Sale
  - ☐ Preparation of Notice of Satisfaction of Mortgage/Lien
  - ☐ Acceptance of vessel by Buyer
  - ☐ Notice of Port or Wharfing of termination of ownership
  - ☐ Notice of Captain and Crew of sale of vessel and termination of employment
- IX. Documents Usually Required for Foreign Registration
- ☐ Notarized Bill of Sale
  - ☐ Record of Deletion from U.S. Registry
  - ☐ Satisfaction of All Liens and Mortgages
  - ☐ Classification Certificates
  - ☐ Tonnage Certificates
  - ☐ Export permits from Maritime Administration if Vessel is in excess of 1000 tons
  - ☐ Radio Certificates
- X. U.S. Documentation
- ☐ Notarized Bill of Sale
  - ☐ Application for new certificate
  - ☐ Declaration of Citizenship