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*Mike Vaughn's*  
*Commercial Ship Information Center*

# Yacht & Ship Brokers Forms Book



Volume III  
Maritime Handbook Series

**Michael E. Vaughn**

# Yacht & Ship Brokers Forms Book

Michael E. Vaughn  
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Mr. Vaughn is the author of:

*North Carolina Legal Procedures* (1975)

*California Expert Witness Directory* (1985)

*Ship Acquisition and Sale Handbook* (1993)

Mr. Vaughn's article, "Subchapter T & K Regulations Regarding Small Passenger Vessels", was recently published in The Coast Guard Journal of Safety at Sea Proceedings of the Marine Safety Council (January-March 2002 Issue) .

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# YACHT & SHIP BROKERS FORMS BOOK

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## **IMPORTANT NOTICE**

**The forms contained in this book are designed for general use and application. They should be used only when you have consulted with knowledgeable counsel in your jurisdiction.**

**Various types of transactions will be controlled by local laws and variations of general Admiralty Law.**

**Consult with your legal counsel and certificated tax consultant in all important matters.**

**Nothing contained in this book should be considered as legal advice. The information contained herein is a starting point at which you may customize the forms for your particular purpose.**

## **RETAINER & EMPLOYMENT AGREEMENTS**

It is important to obtain written authority from the owner of the vessel to act as his agent or broker in the sale. Most states that have Yacht or Ship Broker laws require that the agreement be in writing identifying the parties and vessel and provide for compensation.

If you are a licensed yacht or ship broker, your association or state probably has a form that has been tested and approved for use in your state. You should use that form.



## NON-EXCLUSIVE AGREEMENT TO SELL VESSEL

The undersigned does hereby retain the services of \_\_\_\_\_ for the purpose of obtaining ready, willing and able purchasers to purchase the vessel described as follows:

Name of Vessel: \_\_\_\_\_

Register Number: \_\_\_\_\_

Register Port and Flag: \_\_\_\_\_

Registered Length: \_\_\_\_\_

Registered Owner: \_\_\_\_\_

1. The undersigned warrants that he is the Owner and has full ownership of said vessel and is authorized to execute this document. That if the owner of the vessel is a corporation that the undersigned has been designated by the Board of Directors to execute this document on behalf of the corporation with its full consent and approval
2. That \_\_\_\_\_ will use his best efforts to obtain a ready, willing and able purchaser for said vessel.
3. That the price for said vessel shall be \$\_\_\_\_\_.
4. That the Owner will make the vessel available upon notice for inspection by prospective purchasers.
5. That \_\_\_\_\_ will make reasonable investigation of prospective purchasers to determine if they are qualified to purchase said vessel.
6. That \_\_\_\_\_ is authorized to advertise said vessel or otherwise distribute information concerning said vessel for the purpose of selling said vessel. Further, \_\_\_\_\_ is authorized to employ other agents or brokers for the purpose of selling said vessel.
7. That \_\_\_\_\_ shall receive as compensation for obtaining a purchaser for said vessel, a sum equal to \_\_\_\_ percent (\_\_\_\_%) of the total selling price of the vessel.
8. Other than the fee described in paragraph 7, the Seller shall not be obligated to pay any other sum as compensation for said sale.
9. This agreement shall continue until revoked in writing by the Owner or upon the sale of said vessel.

Dated: \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_  
Owner

## EXCLUSIVE AGREEMENT TO SELL VESSEL

The undersigned does hereby retain the EXCLUSIVE services of \_\_\_\_\_ for the purpose of obtaining ready, willing and able purchasers to purchase the vessel described as follows:

Name of Vessel: \_\_\_\_\_

Register Number: \_\_\_\_\_

Register Port and Flag: \_\_\_\_\_

Registered Length: \_\_\_\_\_

Registered Owner: \_\_\_\_\_

1. The undersigned warrants that he is the Owner and has full ownership of said vessel and is authorized to execute this document. That if the owner of the vessel is a corporation that the undersigned has been designated by the Board of Directors to execute this document on behalf of the corporation with its full consent and approval
2. That \_\_\_\_\_ will use his best efforts to obtain a ready, willing and able purchaser for said vessel.
3. That the price for said vessel shall be \$\_\_\_\_\_.
4. That the Owner will make the vessel available upon notice for inspection by prospective purchasers.
5. That \_\_\_\_\_ will make reasonable investigation of prospective purchasers to determine if they are qualified to purchase said vessel.
6. That \_\_\_\_\_ is authorized to advertise said vessel or otherwise distribute information concerning said vessel for the purpose of selling said vessel. Further, \_\_\_\_\_ is authorized to employ other agents or brokers for the purpose of selling said vessel.
7. That \_\_\_\_\_ shall receive as compensation for obtaining a purchaser for said vessel, a sum equal to \_\_\_\_ percent (\_\_\_\_%) of the total selling price of the vessel.
8. Other than the fee described in paragraph 7, the Seller shall not be obligated to pay any other sum as compensation for said sale.
9. This exclusive agreement shall continue for a period of One Hundred and Twenty Days (120) and shall continue thereafter until revoked in writing by either party.

Dated: \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Broker/Agent

## AGREEMENT TO SELL VESSEL NET TO OWNER

The undersigned does hereby retain the services of \_\_\_\_\_ for the purpose of obtaining ready, willing and able purchasers to purchase the vessel, described as follows:

Name of Vessel: \_\_\_\_\_

Register Number: \_\_\_\_\_

Register Port and Flag: \_\_\_\_\_

Registered Length: \_\_\_\_\_

Registered Owner: \_\_\_\_\_

1. The undersigned warrants that he is the Owner and has full ownership of said vessel and is authorized to execute this document. That if the owner is a corporation that the undersigned has been authorized by the Board of Directors to execute this document on behalf of the corporation.
2. That \_\_\_\_\_ will use his best efforts to obtain a ready, willing and able purchaser for said vessel.
3. That the price for said vessel shall be \$\_\_\_\_\_.
4. That the Owner will make the vessel available upon notice for inspection by prospective purchasers.
5. That \_\_\_\_\_ will make reasonable investigation of prospective purchasers to determine if they are qualified to purchase said vessel.
6. That \_\_\_\_\_ is authorized to advertise said vessel or otherwise distribute information concerning said vessel for the purpose of selling said vessel. Further, \_\_\_\_\_ is authorized to employ other agents or brokers for the purpose of selling said vessel.
7. **COMPENSATION:** The broker shall not receive a standard commission in this transaction. The broker is hereby authorized to market and sell the vessel at any price he deems reasonable and prudent. The Owner agrees to sell said vessel at the price of \_\_\_\_\_ to any person procured by the undersigned who is ready, willing and able to purchase said vessel at the aforementioned price.
  - a. The undersigned agent/broker shall be entitled to keep as compensation all sums in excess of the agreed price.
8. Other than the fee described in paragraph 7, the Seller shall not be obligated to pay any other sum as compensation for said sale.
9. This agreement shall continue until revoked in writing by the Owner or upon the sale of said vessel.

Dated: \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Broker/Agent

**CHARTER LISTING AGREEMENT  
NON-EXCLUSIVE**

The undersigned does hereby retain the services of \_\_\_\_\_ for the purpose of obtaining charters for the vessel, described as:

Name of Vessel: \_\_\_\_\_

Register Number: \_\_\_\_\_

Register Port and Flag: \_\_\_\_\_

Registered Length: \_\_\_\_\_

Registered Owner: \_\_\_\_\_

1. The undersigned warrants that he is the Owner and has full title of said vessel and is authorized to execute this document. That if the owner is a corporation that the undersigned has been authorized by the Board of Directors to execute this document on behalf of the corporation.
2. That \_\_\_\_\_ will use his best efforts to obtain qualified charters for said vessel.
3. That said vessel is available for the charter at the following rate:
4. That the Owner will make the vessel available upon notice for inspection by prospective charterers.
5. That \_\_\_\_\_ will make reasonable investigation of prospective purchasers to determine if they are qualified to charter said vessel.
6. That \_\_\_\_\_ is authorized to advertise said vessel or otherwise distribute information concerning said vessel for the purpose of chartering said vessel. Further, \_\_\_\_\_ is authorized to employ other agents or brokers for the purpose of chartering said vessel.
7. That \_\_\_\_\_ shall receive as compensation for obtaining a charterer for said vessel, a sum equal to \_\_\_\_ percent (\_\_\_\_%) of the total charter price of the vessel. The total charter is defined as any and all sums paid by the Charterer to the Owners for the use of the vessel whether bareboat or fully found.
  - a. Said commission shall be paid within ten (10) days of the date said charter payments are received by the Owner.
  - b. Said commission shall continue for the duration of the original charter period and any subsequent extension, renewals or continuations.
  - c. Said commission shall be discontinued at the termination of the charter. However, if the charter terminates and a hiatus of more than thirty (30) days occurs and the contract is renewed within six months of the end of the original charter, the agent shall be entitled to said commission at the rate of one-half (1/2) of the original rate.

- d. The Owner will advise the agent of any changes, renewals, or extensions of said charter commission.

### **OPTION TO PURCHASE**

1. If the charter agreement contains an option to purchase which is exercised by the Charter at any time, the agent shall be entitled to a sales commission in the amount of \_\_\_\_ percent (\_\_\_\_%) of the total sales price of said vessel.
2. Any disputes arising out of the interpretation of this agreement shall be resolved by arbitration at the home port of the charter vessel, or any other arbitrator mutually agreed to by the parties.
3. This agreement shall continue until revoked in writing by the Owner.

Dated: \_\_\_\_/\_\_\_\_/\_\_\_\_

\_\_\_\_\_  
Owner

\_\_\_\_\_  
Broker/Agent

## **BUYER REGISTRATION FORMS**

It is a good practice, but not required that you make a reasonable investigation of the buyers prior to presenting them to the vessel Owner.

The following form provides information concerning the ability of the Buyer to complete the transaction rather than to waste much of the broker's time.

The registration will also provide proof of your introducing the Buyer to the Owner in case a dispute arises at a later time as to whether you should be entitled to a commission on a sale.

The form should be customized to fit the needs of each transaction. It is of course more important in large financial sales more than small routine transactions.

\*\*\* **CONFIDENTIAL** \*\*\*

## **BUYER REGISTRATION AND PURCHASE INFORMATION FORM**

The following information is requested for the purpose of presenting to the Seller, purchasers who are reasonably qualified to enter into serious negotiation for the purchase of

**The disclosure of this information encourages sellers to deal promptly and openly in the negotiations concerning the buying and selling of their vessel.**

The information remains confidential with us and we will notify the Sellers that:

***"We have made diligent inquiry of this prospective purchaser and we believe, based upon our investigation, that the purchaser is qualified and financially capable to enter into the purchase of this vessel."***

### **BUYER**

<b>Name(s) of Buyer(s):</b> (Use additional sheets if necessary)	
<b>Business or Company name:</b>	
<b>Business Address:</b>	
<b>Telephone No.:</b>	<b>Fax No.:</b>
<b>Person authorized to act on behalf of Company:</b>	

### **BROKER / AGENT / ATTORNEY REPRESENTING BUYER**

<b>Name:</b>	
<b>Company:</b>	
<b>Business Address:</b>	
<b>Telephone No.:</b>	<b>Fax No.:</b>

## FINANCIAL & BUSINESS INFORMATION

<b>Nature of Buyer's Primary Business:</b>	
<b>Length of time in business:</b>	<b>Length of experience in maritime related business:</b>
<b>Please list Bank references:</b>	<div style="margin-bottom: 10px;">1.</div> <div style="margin-bottom: 10px;">2.</div> <div style="margin-bottom: 10px;">3.</div> <div style="margin-bottom: 10px;">4.</div>

## PROJECT INFORMATION

<b>Type of Vessel to be purchased:</b>	
<b>Size:</b>	<b>Limitations of age, draft, etc.:</b>
<b>Proposed use of vessel:</b>	
<b>Estimated budget or purchase price:</b>	<b>Do you have a captain or maritime consultant assisting you?</b>
<b>Do you have insurance available?</b>	
<b>Date of intended purchase.</b>	
<b>Please list other similar vessels you now own or operate:</b>	<div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px; margin-bottom: 5px;"></div> <div style="border-bottom: 1px solid black; height: 20px;"></div>



## **NON-DISCLOSURE AND NON-CIRCUMVENTION AGREEMENTS**

These agreements are important to protect confidential information that may be necessary for disclosure to a buyer to allow him to fully understand what he is buying.

This is more applicable to a commercial vessel than to a yacht. In a commercial application, it is important to know and fully understand the full costs of operations and potential profits. This same information may be used by a competitor to unfairly compete with the Owner.

Therefore, it is important to have this type of agreement in place before sensitive information is disclosed.

When faced with this type of situation, consult with the Owner's attorney before disclosure.

## **NON-DISCLOSURE / NON COMPETITION AGREEMENT**

WHEREAS, the Seller seeks to sell the vessel described below; and whereas the Buyer requires confidential information which is necessary to make a thorough and diligent examination of said vessel for the purpose of acquiring said vessel; and

WHEREAS, the undersigned desires to purchase said assets and operations; and

WHEREAS, the parties have agreed to explore the potential purchase and sale in detail and to divulge confidential financial and business records, histories, customers and relationships;

It is contracted and agreed that such exchange of information between the Seller and the potential Buyer, to whom this document is addressed, shall be governed by the following terms and conditions:

### **I.** **CONFIDENTIALITY AGREEMENT**

1. That the purpose of the exchange of information is for the sole purpose of allowing the prospective buyers to evaluate the assets and operations of the Seller and that the Buyer has a "good faith" interest in acquiring said vessel.
2. That the Seller hereby makes available to the Buyer documents reasonably required for the Buyer to ascertain the current financial status of the vessel.
3. That the Buyer shall review said records in confidence and that said confidence shall apply to his agents, employees, accountants, attorneys and any person directly acting upon his behalf; at his request; or for his purpose.
4. This agreement shall be binding upon the Buyer's agents, employees, accountants, attorneys and any other person so employed or permitted to review any document provided by the Seller.
5. The Buyer shall keep and maintain the confidentiality of the Seller at all times and keep said information and records in such a manner as to preclude any accidental or unintentional disclosure of same.

### **II.** **NON-DISCLOSURE**

6. That the Buyer shall not disclose the information provided by the Seller to any person not employed by him or acting upon his behalf in evaluating the information for the stated purpose of this agreement.

### **III.** **NON-COMPETITIVE ADVANTAGE**

7. That if the Buyer does not purchase the Seller's assets and operations, the Buyer agrees that the information supplied to him will not be used to gain a competitive advantage in any geographical area in which Seller now operates for a period of three (3) years.
8. That the undersigned will only deal through the Seller's agent listed below for all purposes.

**IV.**  
**CONCLUDING TERMS AND CONDITIONS**

9. This agreement shall be regulated and construed under the general laws of the state in which the Seller maintains his principal office.
10. That any dispute arising out of or in the course of this agreement shall be resolved by binding arbitration under the rules and terms of the Superior Court in the County in which the Seller maintains its principal office.
11. That either the Buyer or Seller is a corporation the undersigned represents that they have been authorized to execute this document on behalf of the corporation and the Board of Directors and do so at their direction.

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Seller

Seller's Agent is:

**LETTER OF INTENT  
&  
OPTION TO PURCHASE**

A letter of intent is a device by which a potential buyer is allowed a certain period of time in which to determine if he wishes to make an offer to purchase the vessel.

The value of this letter to a buyer is that it will provide him with knowledge that if he expends substantial funds in traveling to inspect a vessel and employing any inspection team to accompany him, that the vessel will not be sold prior to his arrival.

This is particularly important if the buyer is traveling a great distance or expending substantial funds to make the inspection.

The letter contractually obligates the Seller to sell the vessel to the prospective buyer at a set price. If after inspection, the buyer reduces his offer or if his time limit expires, the Owner is under no obligation to sell to him.

An OPTION TO PURCHASE is an agreement by which a party is allowed a set period of time in which to purchase the vessel at a predetermined price and under pre-set conditions

## LETTER OF INTENT

Date

J.B. Shipowner  
10000 Oceanway  
Los Angeles, CA 90731

Re: Vessel Name

Dear Sir:

Please be advised that we have made a preliminary determination and intend to purchase said vessel, based upon the specifications that you (or your agent) supplied to us.

This letter of intent is supplied for the purpose of allowing us up to and including the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ to travel to the vessel and make a personal inspection to determine the nature or quality of the vessel.

By signing and returning this letter to us by fax, you will have granted to us the option of purchasing said vessel up to and including the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at the price of \$\_\_\_\_\_.

Thank you for your attention to this matter.

Very truly,

John Doe, Buyer

## ACCEPTANCE OF LETTER OF INTENT

The undersigned does hereby grant to \_\_\_\_\_, an option to purchase the above-described vessel at the price of \_\_\_\_\_ up to and including the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at 12:00 noon local time. Seller acknowledges that this option will preclude any sale of the vessel to any other party prior to the expiration of this agreement. I further stipulate that faxed copies of this document shall be deemed original for all purposes.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Seller

## OPTION TO PURCHASE

The undersigned Seller does hereby grant to the Buyer, for good and valuable consideration, in hand paid to the Seller, an irrevocable option to purchase the following commercial ship upon the terms and conditions herein set forth:

Name of Vessel:

Register Number:

Register Port and Flag:

Registered Length:

Registered Owner:

1. The purchase price of the Vessel is \_\_\_\_\_ (\$\_\_\_\_\_) quoted in lawful currency of the United States of America.
2. The Buyer has paid to the Seller the non-refundable sum of \$\_\_\_\_\_ in exchange for this option and said sum has been fully earned by the Seller upon execution of this document and is under no circumstances refundable to the Buyer. Receipt of said payment is hereby acknowledged by the Seller
3. The Buyer is here granted an option to purchase the vessel for the additional sum of \$\_\_\_\_\_ payable to the Seller on or before the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at 12:00 noon local time.
4. Acceptance shall be in writing and evidenced by Seller's signature upon this document or other written document acknowledging acceptance of the terms of this offer.
5. Vessel is sold as is, where is, with all equipment, appurtenances, tools, and appliances now on board. All fuel is to be sold with vessel as part and parcel of the purchase price and is not subject to pro-ration.
6. The Seller makes no representation or warranties as to the quality or condition of the vessel.
7. The Buyer may survey and sea trial the vessel at his sole expense. The Owner will deliver said vessel to a mutually agreed upon shipyard for haul out and survey. The Buyer assumes total and complete financial responsibility for haul out and survey and all costs related thereto. Buyer's delay or failure to complete said sea trial and survey shall not be reason for an extension of this option.
8. Buyer acknowledges that the surveyor selected is employed solely by the Buyer.
9. The balance of the purchase price shall be paid to Seller in cash or certified check, or electronic bank funds transfer.
11. The Buyer shall be responsible for all fees of documentation and/or title transfer. Transfer to foreign registration shall not delay transfer of purchase funds.

12. Upon full payment, the Vessel shall be delivered to the Buyer at its current dock together with all gear, machinery, equipment, furnishings and all other articles and appurtenances thereto belonging.
13. Vessel is being sold and purchased free and clear of all debts, claims, liens, and encumbrances of any kind whatsoever. Seller warrants and will defend that he has good and marketable title thereto and will deliver to Buyer or at Buyer's request, to Buyer's agent or other persons, all necessary documents for transfer of title to Buyer upon Buyer's final payment.
14. All taxes, duties, or other government-imposed fees on this purchase are the responsibility of the Buyer. Buyer agrees to indemnify and hold harmless Seller and his agents from any liability for any such tax or duty.
15. Buyer and Seller agree that any dispute arising out of this transaction shall be resolved by reference arbitration before the American Arbitration Association at the location where the vessel lays at the time of the execution of this document, unless another location is mutually agreed. Further, it is agreed that the choice of law to govern this transaction, shall be law of the location where the vessel lays at the time of the execution of this document, unless otherwise mutually agreed.
16. The parties stipulate that faxed or electronically transmitted signatures shall be deemed originals for all purposes.

---

Dated

---

Dated

---

Buyer

---

Seller

## **MEMORANDUM OF AGREEMENT / OFFER TO PURCHASE PURCHASE CONTRACT**

The terms Memorandum of Agreement, Purchase Agreement and Offer to Purchase are many times used to identify the same agreement.

However, it is better practice to have an offer to purchase setting forth the terms and conditions on which the buyer will purchase the vessel. Usually the Seller will counter with some variation of terms. Once the parties have reached an agreement, a Purchase Contract should be written that reflects all of the terms and conditions agreed to by the parties.

The following forms show an offer to purchase, a counter offer and then a full contract. Technically, once the parties reach an agreement in substance whether written or not, a contract has been made. Unfortunately, oral contracts are always subject to dispute as to individual terms. A written contract should always be required.



## OFFER TO PURCHASE

This agreement is made this the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, by and between \_\_\_\_\_, hereinafter referred to as the **Buyer** and \_\_\_\_\_, hereinafter referred to as the **Seller**.

Subject to the terms and conditions contained herein, Buyer offers to buy all rights, title, and interest in the vessel described as:

Name of Vessel:

Register Number:

Register Port and Flag:

Registered Length:

Registered Owner:

1. The purchase price of the Vessel is \_\_\_\_\_ (\$\_\_\_\_\_) quoted in lawful currency of the United States of America.
2. The Buyer has deposited with \_\_\_\_\_ a deposit in the amount of ten percent (10%) of the total purchase price to be held in escrow by \_\_\_\_\_ subject to the terms of this agreement.
3. This offer is good until \_\_\_\_\_, 20\_\_\_\_ at 12:00 noon, local time, subject to the right of the Buyer to withdraw his offer prior to the acceptance by the Seller.
4. Acceptance shall be in writing and evidenced by Seller's signature upon this document or other written document acknowledging acceptance of the terms of this offer.
5. Vessel is sold as is, where is, with all equipment, appurtenances, tools, and appliances now on board. All fuel is to be sold with vessel as part and parcel of the purchase price and is not subject to pro-ration.
6. The Seller makes no representation or warranties as to the quality or condition of the vessel.
7. The Buyer makes this offer subject to a marine survey and sea trial, both to the complete satisfaction of Buyer and to be conducted as soon as practical but within \_\_\_\_\_ days of the acceptance of this offer by the Seller. The Owner will deliver said vessel to a mutually agreed upon shipyard for haul out and survey. The Buyer assumes total and complete financial responsibility for haul out and survey and all costs related thereto.
8. Buyer acknowledges that the surveyor selected is employed solely by the Buyer.
9. Upon completion of the survey and sea trial, rejection of the Vessel will be made within \_\_\_\_\_ days to the Seller and Seller's Agent. Buyer's failure to exercise his right of rejection of Vessel as specified shall be deemed an acceptance.

10. The balance of the purchase price shall be paid to Seller within \_\_\_\_\_ days of actual or deemed acceptance of Vessel. Said payment shall be made in cash or certified check, or electronic bank funds transfer.
11. The Buyer shall be responsible for all fees of documentation and/or title transfer. Transfer to foreign registration shall not delay transfer of purchase funds.
12. Upon full payment, the Vessel shall be delivered to the Buyer at \_\_\_\_\_, together with all gear, machinery, equipment, furnishings and all other articles and appurtenances thereto belonging.
13. Vessel is being sold and purchased free and clear of all debts, claims, liens, and encumbrances of any kind whatsoever. Seller will deliver to the Buyer at the time of closing releases from any and all crew members acknowledging that they have no claims against the vessel. Seller will deliver to the Buyer releases from all sub-contractors, materials, men or any other person who has worked on the vessel, supplied fuel or parts or who has performed services which may become a lien against the vessel. Seller warrants and will defend that he has good and marketable title thereto and will deliver to Buyer or at Buyer's request, to Buyer's agent or other persons, all necessary documents for transfer of title to Buyer upon Buyer's final payment.
14. All taxes, duties, or other government-imposed fees on this purchase are the responsibility of the Buyer. Buyer agrees to indemnify and hold harmless Seller and his agents from any liability for any such tax or duty.
15. Buyer and Seller agree that any dispute arising out of this transaction shall be resolved by reference arbitration at the location where the vessel lays at the time of the execution of this document, unless another location is mutually agreed. Further, it is agreed that the choice of law to govern this transaction, shall be law of the location where the vessel lays at the time of the execution of this document, unless otherwise mutually agreed.
16. Buyer and Seller acknowledge that sales commission are owed to the following parties, resulting from this transaction, in the amount of \_\_\_\_\_%. The brokers are:
17. Other conditions:
18. This document constitutes the entire offer by the Buyer.
19. This agreement is binding upon Seller and Buyer, their heirs, executors, personal representatives and assigns.

I have read and understand the terms and conditions concerning the sale and purchase of this vessel and hereby approve and accept the terms hereof.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Seller

## RECEIPT FOR DEPOSIT

The undersigned does hereby acknowledge receipt of the sum of \$\_\_\_\_\_ as good faith deposit in this matter. Said sums to be segregated and deposited in his trust account, subject to the terms and conditions of this transaction.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Broker/Agent

## COUNTER OFFER TO PURCHASE

This agreement is made this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, hereinafter referred to as the **Buyer** and \_\_\_\_\_, hereinafter referred to as the **Seller**.

Subject to the terms and conditions contained herein, Seller offers to sell all rights, title, and interest in the vessel described as:

Name of Vessel: \_\_\_\_\_

Register Number: \_\_\_\_\_

Register Port and Flag: \_\_\_\_\_

Registered Length: \_\_\_\_\_

Registered Owner: \_\_\_\_\_

1. The purchase price of the Vessel is \_\_\_\_\_ (\$\_\_\_\_\_) quoted in lawful currency of the United States of America.
2. The Buyer will deposit with \_\_\_\_\_ a deposit in the amount of ten percent (10%) of the total purchase price to be held in escrow by \_\_\_\_\_ subject to the terms of this agreement upon execution of this document.
3. This offer is good until \_\_\_\_\_, 20\_\_\_\_ at 12:00 noon, local time, subject to the right of the Seller to withdraw his offer prior to the acceptance by the Buyer.
4. Acceptance shall be in writing and evidenced by Buyer's signature upon this document or other written document acknowledging acceptance of the terms of this offer.
5. Vessel is sold as is, where is, with all equipment, appurtenances, tools, and appliances now on board. All fuel is to be sold with vessel as part and parcel of the purchase price and is not subject to pro-rata.
6. The Seller makes no representation or warranties as to the quality or condition of the vessel.
7. The Buyer may subject the vessel to a marine survey and sea trial, both to the complete satisfaction of Buyer and to be conducted as soon as practical but within \_\_\_\_\_ days of the acceptance of this offer. The Owner will deliver said vessel to a mutually agreed upon shipyard for haul out and survey. The Buyer assumes total and complete financial responsibility for haul out and survey and all costs related thereto.
8. Buyer acknowledges that the surveyor selected is employed solely by the Buyer.
9. Upon completion of the survey and sea trial, rejection of the Vessel will be made within \_\_\_\_\_ days to the Seller and Seller's Agent. Buyer's failure to exercise his right of rejection of Vessel as specified shall be deemed an acceptance.

10. The balance of the purchase price shall be paid to Seller within \_\_\_\_\_ days of actual or deemed acceptance of Vessel. Said payment shall be made in cash or certified check, or electronic bank funds transfer.
11. The Buyer shall be responsible for all fees of documentation and/or title transfer. Transfer to foreign registration shall not delay transfer of purchase funds.
12. Upon full payment, the Vessel shall be delivered to the Buyer at \_\_\_\_\_, together with all gear, machinery, equipment, furnishings and all other articles and appurtenances thereto belonging.
13. Vessel is being sold and purchased free and clear of all debts, claims, liens, and encumbrances of any kind whatsoever. Seller will deliver to the Buyer at the time of closing releases from any and all crew members acknowledging that they have no claims against the vessel. Seller will deliver to the Buyer releases from all sub-contractors, materials, men or any other person who has worked on the vessel, supplied fuel or parts or who has performed services which may become a lien against the vessel. Seller warrants and will defend that he has good and marketable title thereto and will deliver to Buyer or at Buyer's request, to Buyer's agent or other persons, all necessary documents for transfer of title to Buyer upon Buyer's final payment.
14. All taxes, duties, or other government-imposed fees on this purchase are the responsibility of the Buyer. Buyer agrees to indemnify and hold harmless Seller and his agents from any liability for any such tax or duty.
15. Buyer and Seller agree that any dispute arising out of this transaction shall be resolved by reference arbitration at the location where the vessel lays at the time of the execution of this document, unless another location is mutually agreed. Further, it is agreed that the choice of law to govern this transaction, shall be law of the location where the vessel lays at the time of the execution of this document, unless otherwise mutually agreed.
16. Buyer and Seller acknowledge that sales commissions are owed to the following parties, resulting from this transaction, in the amount of \_\_\_\_\_% (commission to be paid by Seller). The brokers are:
17. Other conditions:
18. This document constitutes the entire counter-offer by the Seller.
19. This agreement is binding upon Seller and Buyer, their heirs, executors, personal representatives and assigns.

I have read and understand the terms and conditions concerning the sale and purchase of this vessel and hereby approve and accept the terms hereof.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Seller

### RECEIPT FOR DEPOSIT

The undersigned does hereby acknowledge receipt of the sum of \$\_\_\_\_\_ as good faith deposit in this matter. Said sums to be segregated and deposited in his trust account, subject to the terms and conditions of this transaction.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Broker/Agent

## CONTRACT TO PURCHASE

This agreement is made this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_, hereinafter referred to as the **Buyer** and \_\_\_\_\_, hereinafter referred to as the **Seller**.

Subject to the terms and conditions contained herein, Seller offers to sell and Buyer agrees to buy all rights, title, and interest in the vessel described as:

Name of Vessel: \_\_\_\_\_  
Register Number: \_\_\_\_\_  
Register Port and Flag: \_\_\_\_\_  
Registered Length: \_\_\_\_\_  
Registered Owner: \_\_\_\_\_

1. The purchase price of the Vessel is \_\_\_\_\_ (\$\_\_\_\_\_) quoted in lawful currency of the United States of America.
2. The Buyer has deposited with \_\_\_\_\_ a deposit in the amount of ten percent (10%) of the total purchase price to be held in escrow by \_\_\_\_\_ subject to the terms of this agreement.
3. Acceptance shall be in writing and evidenced by Buyer's and Seller's signatures upon this document.
4. Vessel is sold as is, where is, with all equipment, appurtenances, tools, and appliances now on board. All fuel is to be sold with vessel as part and parcel of the purchase price and is not subject to pro-rata (Or) Fuel shall be measured and Buyer will pay \$\_\_\_\_ per gallon at the time of closing.
5. The Seller makes no representation or warranties as to the quality or condition of the vessel.
6. The Buyer shall survey and sea trial the vessel both to the complete satisfaction of Buyer and to be conducted as soon as practical but within \_\_\_\_\_ days of the execution of this agreement by the Seller. The Owner will deliver said vessel at his expense to a mutually agreed upon shipyard for haul out and survey. The Buyer assumes total and complete financial responsibility for haul out and survey and all costs related thereto.
7. Buyer acknowledges that the surveyor selected is employed solely by the Buyer.
8. Upon completion of the survey and sea trial, rejection of the Vessel will be made within \_\_\_\_\_ days to the Seller and Seller's Agent. Buyer's failure to exercise his right of rejection of Vessel as specified shall be deemed an acceptance. In no event shall the date for rejection be later than 12:00 noon, local time on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.
9. The balance of the purchase price shall be paid to Seller within \_\_\_\_\_ days of actual or deemed acceptance of Vessel. Said payment shall be made in cash or certified check, or electronic bank funds transfer.

10. The Buyer shall be responsible for all fees of documentation and/or title transfer. Transfer to foreign registration shall not delay transfer of purchase funds.
11. Upon full payment, the Vessel shall be delivered to the Buyer at \_\_\_\_\_, together with all gear, machinery, equipment, furnishings and all other articles and appurtenances thereto belonging.
12. Vessel is being sold and purchased free and clear of all debts, claims, liens, and encumbrances of any kind whatsoever. Seller will deliver to the Buyer at the time of closing releases from any and all crew members acknowledging that they have no claims against the vessel. Seller will deliver to the Buyer releases from all sub-contractors, materials, men or any other person who has worked on the vessel, supplied fuel or parts or who has performed services which may become a lien against the vessel. Seller warrants and will defend that he has good and marketable title thereto and will deliver to Buyer or at Buyer's request, to Buyer's agent or other persons, all necessary documents for transfer of title to Buyer upon Buyer's final payment.
13. All taxes, duties, or other government imposed fees on this purchase are the responsibility of the Buyer. Buyer agrees to indemnify and hold harmless Seller and his agents from any liability for any such tax or duty.
14. Buyer and Seller agree that any dispute arising out of this transaction shall be resolved by reference arbitration at the location where the vessel lays at the time of the execution of this document, unless another location is mutually agreed. Further, it is agreed that the choice of law to govern this transaction, shall be law of the location where the vessel lays at the time of the execution of this document, unless otherwise mutually agreed.
15. Buyer and Seller acknowledge that sales commissions are owed to the following parties, resulting from this transaction, in the amount of \_\_\_\_\_.%. Commissions are to be paid by the Seller and Buyer shall have no responsibility therefore.  
The brokers are:
16. Other conditions:
17. This document constitutes the entire agreement of the parties.
18. This agreement is binding upon Seller and Buyer, their heirs, executors, personal representatives and assigns.
19. The parties stipulate that faxed or electronically transmitted signatures shall be deemed originals for all purposes.

I have read and understand the terms and conditions concerning the sale and purchase of this vessel and hereby approve and accept the terms hereof.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Seller



### RECEIPT FOR DEPOSIT

The undersigned does hereby acknowledge receipt of the sum of \$\_\_\_\_\_ as good faith deposit in this matter. Said sums to be segregated and deposited in his trust account, subject to the terms and conditions of this transaction.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Broker/Agent

## **DEMISE / BAREBOAT CHARTER**

A Demise / Bareboat Charter is the document that allows the Owner of the vessel to lease it to another party. A Demise Charter or Bareboat Charter differs from a Time Charter in the sense that a Time Charter of a vessel includes the captain, crew and consumables all included in the charter price. The Owner retains overall control of the vessel and the charter has the right to tell the captain where to go.

In a Bareboat Charter the Owner gives up all rights to the vessel except the receiving of the charter payment. The Charterer may hire the captain and crew of his choice and direct completely the activity of the vessel.

If the Owner retains the right to select the captain or crew or in any way maintains control over the vessel it is not a true bareboat charter.

The use of the charter to circumvent the Passenger for Hire Rules of the U.S. Coast Guard may result in forfeiture of the vessel. If you have any question as to the legality of the charter of your vessel, consult a maritime attorney.

The following form is a Bare Boat/ Demise Charter agreement.

## DEMISE CHARTER AGREEMENT

This Charter Agreement entered into on this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, between \_\_\_\_\_ hereinafter referred to as the Owner and \_\_\_\_\_ or their assignee, hereinafter referred to as the Charterer.

### WITNESSETH:

Whereas the Owner is the registered Owner of a vessel described as:

Name of Vessel:	_____
GRT / NRT:	_____
Class:	_____
Horsepower:	_____
BOT Summer Loadline:	_____
Capacity:	_____
Design Speed:	_____
Proposed Route:	_____
Period of Hire:	_____
Port of Delivery:	_____
Trade Limits:	_____
Brokers / Commission:	_____

And Whereas the Charterer wishes to charter said vessel;

NOW, THEREFORE, in consideration of the premises and covenants herein contained, the parties hereto mutually agree as follows:

1. The charter shall begin at 12:01 AM on the \_\_\_\_\_ and terminate at 11:59 PM on \_\_\_\_\_.
2. The charter shall be for a total period of \_\_\_\_\_ months.
3. The vessel shall be delivered to Charterer in the same condition as when inspected and accepted by Charterer. Owner reserves the right to have vessel surveyed as to equipment and condition and Charterer reserves the right to have vessel surveyed upon termination and redelivery to Owner at the conclusion of said charter. Said vessel shall be delivered to Charterer at the port of \_\_\_\_\_ and redelivered to Owner at the port of \_\_\_\_\_ in the same condition as when chartered excepting ordinary wear and tear.

4. The compensation for said charter shall be as follows:

CHARTER RATE: The charter rate shall \_\_\_\_\_ per day, quoted in the lawful currency of the United States of America.

**SECURITY DEPOSIT:** \_\_\_\_\_.

A. DATE OF LAST CHARTER PAYMENT \_\_\_\_\_.

Said compensation shall be paid as follows:

Payment shall be in cash, certified check or electronic bank wire transfer to \_\_\_\_\_.

5. This is a demised charter and Charterer reserves to operate said vessel lawfully and in a safe and seaworthy manner. Charterer shall conform to all laws, regulations and requirements of a Certificate of Inspection affecting said vessel. Charterer agrees to indemnify, protect, defend and hold harmless the Owner, the vessel, its registered Owner, its master and crew, and their respective underwriters from and against the results of any breach by charter of the obligations or any other obligations imposed by law upon the Charterer. Charterer shall maintain the vessel in good repair and maintain all classification, certificates or certificates of inspection in full force and effect during the entire course of the charter.
- A. During the course of the charter, Charterer shall maintain in full force and effect insurance in the amount of \_\_\_\_\_ USD naming the Owner as loss payee protecting the vessel for loss or damage for hull and machinery. In addition Charterer shall maintain a policy or policies of insurance providing for pollution, liability, crew and employee injury. Each policy shall name the Owner as an additional insured.
6. Charterer shall provide and pay for the master and crew of the vessel. The Charterer shall select and direct said master and crew. The duties of the crew shall be directed and controlled solely by the Charterer. The master of the vessel shall serve at the discretion of the Charterer. Charterer shall review and evaluate each licensed officer as to his ability and skill in the position employed and assure Owner as to the qualifications of the chief engineering staff.
7. Neither the Owner, its officers, directors, employees, the vessel, her owner, operators, nor the underwriters of any of the foregoing shall have any responsibility or liability for any claim involving damage to or loss of any cargo or equipment carried by the vessel, or for any injury, illness, disease or death of employees of Charterer, its subcontractors, or their employees or agents, and Charterer shall defend indemnify, and hold harmless Owner, its officers, directors, employees, the vessel, its owner, operators, master, and crew and the underwriters of each of the foregoing from and against any such claim, whether groundless or not, and whether caused in whole or in part by the negligence or faults of indemnities or by unseaworthiness of the vessel or equipment of Owner, Owner's property and Owner's sub-contractors' property.
8. Neither Owner nor Charterer shall be responsible hereunder for prospective profits or for special, indirect or consequential damages.
9. Neither the Owner nor the Charterer shall not create, incur, or permit any liens to be imposed upon any vessel chartered under this agreement.
10. Charterer may assign this agreement without notice to the Owner and without his written agreement.

11. Charterer shall keep the Owner advised of the usual berth for the vessel or on voyage of the itinerary of the vessel. Failure to keep the Owner informed of the location of the vessel shall be considered to be a breach of Charterer's agreement.

Notices to the Owner shall be sent to: \_\_\_\_\_

Notices to the Charterer shall be sent to: \_\_\_\_\_.

Notices so sent shall be deemed received three (3) days after mailing.

12. This agreement shall be construed in accordance with the admiralty and maritime laws of the United States of America and the State of \_\_\_\_\_.

### **IRREVOCABLE OPTION TO PURCHASE**

13. The Charterer is hereby granted an irrevocable option to purchase the above-described vessel for the sum of \_\_\_\_\_ payable in currency of the United States of America upon the expiration of said charter or at any time prior to the expiration of the charter, entirely at Charterer's option. If Charterer elects not to exercise this option he shall give notice to the Owner not less than ninety (90) days prior to the termination of the charter. Failure to give notice shall be deemed as an agreement to exercise the option.
14. Charterer may assign the option to purchase without consent of the Owner.

### **DEFAULT**

15. The Charterer may be declared in default of this charter agreement if any one of the following events occurs:
- a) Failure to make monthly payments upon the date due.
  - b) Having failed to make time payment and upon notice by the Owner having failed to correct the default within fifteen (15) days.
  - c) Failing to permit inspection of the vessel by Owner or Owner's representative and upon written notice by Owner allowing or permitting said failure to permit inspection to continue for more than five (5) days.
  - d) Failing to maintain continuous insurance coverage of the vessel in the amount agreed upon and naming Owner as loss payee.
  - e) Operating the vessel contrary to the criminal law of any nation or state in which the vessel operates.
  - f) Failing to maintain the vessel and its equipment in a seaworthy and seaman like condition. Said determination of maintenance shall be determined by annual survey. Charterer will have 30 days from the completion of the annual survey to make any repairs so designated by the surveyor.
  - g) Commission of any act of bankruptcy or approval by any court of a petition or request for reorganization, arrangement, extension or other relief under any bankruptcy law; or by appointment of a receiver.

16. Then in case of said default, Owner may:
- a) Declare the charter terminated.
  - b) Recover judgment for and collect out of any property Charterer may own any amount due and collect all earned charter hire and freight moneys relating to services performed by the vessel.
17. The Charterer shall have the right to make improvements to the vessel as per Owner's prior agreement and approval that shall not unreasonably be withheld. The Charterer shall pay for all such improvements.
18. The purchase option provided for in paragraph 14 shall be governed by the terms and conditions contained in the Agreement to Purchase attached here to as Exhibit 1 and incorporated herein by reference as if fully set forth.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed by their duly authorized representative, in duplicate originals, on the day and year first written above.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

\_\_\_\_\_  
By

\_\_\_\_\_  
By

**OWNER  
CORPORATE RESOLUTION**

It is hereby resolved by the officers and board of directors of the undersigned corporation, the meeting having been duly called and all objections to notice and place having been waived, that \_\_\_\_\_, acting as President of \_\_\_\_\_ is hereby authorized to execute the foregoing charter agreement.

\_\_\_\_\_ is hereby authorized to execute the charter and any other documents; necessary for said transaction on behalf of the corporation with our full consent and authority.

Dated this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
President

\_\_\_\_\_  
Chairman of the Board of Directors

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**CHARTERER  
CORPORATE RESOLUTION**

It is hereby resolved by the officers and board of directors of the undersigned corporation, the meeting having been duly called and all objections to notice and place having been waived, that \_\_\_\_\_, acting as President of \_\_\_\_\_, Inc. is hereby authorized to execute the foregoing charter agreement.

\_\_\_\_\_ is hereby authorized to execute the charter agreement and any other documents; necessary for said transaction on behalf of the corporation with our full consent and authority.

Dated this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
President

\_\_\_\_\_  
Chairman of the Board of Directors

## **ESCROW INSTRUCTION**

Usually a Maritime Escrow Service will have their own forms to assist you in completing a transaction.

An Escrow Agent is a fiduciary agent who is responsible for the completion of all the terms and conditions of the purchase agreement prior to the transfer of funds and documents.

The following is a standard Instruction form for the transaction.



## GENERAL MARITIME ESCROW TERMS AND CONDITIONS

SELLER NAME AND ADDRESS

BUYER NAME AND ADDRESS

VESSEL NAME:

OFFICIAL NUMBER:

THIS ESCROW IS SUBJECT TO ALL OF THE FOLLOWING GENERAL TERMS AND CONDITIONS:

TO: \_\_\_\_\_  
Escrow Agent

1. Your duty to act as escrow holder does not commence until these instructions, signed by all parties hereto, are received by you. Until such time, any party may unilaterally cancel, and upon written request delivered to you, the party may withdraw funds and or documents he has previously handed to you.
2. Close of escrow shall mean the date and time instruments and or documents are recorded.
3. All adjustments and pro-rations called for in this escrow shall be on the basis of a 30 day month.
4. Regardless of the consummation of this escrow, Buyer shall pay, upon demand, any and all charges and expenses incurred by escrow holder on Buyer's behalf, including, but not limited to, all charges and expenses for the preparation, acknowledgment and recording of any document required by Buyer in this escrow.
5. Escrow holder shall not be held liable for the sufficiency or correctness as to form, manner of execution, or validity of any instrument deposited in this escrow, nor as to the identity, rights or authority of any person executing the same, nor for failure to comply with to any provisions of any agreement, contract or other instrument filed or referred to herein, and escrow holder's duties hereunder shall be confined to the safekeeping of such monies, instruments or to her documents received in this escrow, and for the disposition of same in accordance with the written instructions accepted by escrow holder in this escrow.

6. If all of the conditions of this escrow have not been complied with prior to the date set out in these escrow instructions, or any extension thereof, escrow holder is nevertheless to complete the escrow as soon as all conditions, except those as to time, have been complied with, unless written demand shall have been made upon escrow holder not to complete it. Escrow holder shall make payment to or for, or deliver documents to any party to this escrow only if, in its sole and unqualified judgment, such payment or delivery may be made without escrow holder incurring any liability. If conflicting demands or claims are made, or conflicting notices are served upon escrow holder with respect to this escrow, the rights of any of the parties hereto, or any money or property or document deposited here or affected hereby, the parties hereto agree that escrow holder shall have the absolute right to do all or any of the following : To discontinue any or all further acts on escrow holder's part to be performed under this escrow and to stop and withhold all further proceeding herein until such conflict is resolved to escrow holder's satisfaction; or To file a suit in interpleader or for declaratory relief or judgment, and obtain an order from the Court requiring the parties to interplead and litigate in such Court their several claims and rights amongst themselves. In the event such interpleader suit action for declaratory relief is brought, escrow holder shall ipso facto be fully released and discharged for all obligation to further perform any and all duties and obligations imposed on it in this escrow, and the parties hereto jointly and severally agree to pay to escrow holder all costs, expenses and reasonable attorneys fees expended or incurred by escrow holder, the amount thereof to be fixed and a judgment therefore to be rendered by the court in such suit.
7. In consideration for your acting as the escrow holder, it is agreed that you shall in no case or event be liable for the failure of any of the conditions of this escrow, not the exercise of your discretion in any manner, nor for any other reason, except for gross negligence or willful misconduct with reference to this escrow, nor shall you be liable or responsible for forgeries or false personation, incapacity of parties to this escrow, or false verifications of affidavits. The parties here to agree that as far as your rights and liabilities are involved, this transaction is an escrow and not any other legal relationship, and that your responsibilities and duties are governed solely by the express terms of this escrow. You shall be under no obligation or liability for the failure to inform any of the parties to this escrow of any sale, loan, exchange or other transaction, or facts within your knowledge involving any property described in these instructions or of any profit realized to any person, firm or corporation (broker, agent and parties to this and or any other escrow included) in connection therewith, regardless of the fact that such transaction is being handled by you in this escrow or in any other escrow, provided such information or facts do not prevent your compliance with these instructions.
8. The parties hereto jointly and severally agree that should escrow holder be required to respond to any legal summons or proceedings, or should escrow holder sustain any loss, costs, damage or expenses, including attorney's fees as a result of any action, legal or otherwise, arising out of or in any way connected with, directly or indirectly, this escrow, before or after the close of escrow, other than as a result of escrow holder's gross negligence or willful misconduct, they will indemnify and hold escrow holder, its agents, servants, employees, successors and assigns harmless from and against any and all such losses costs, damages and expenses including attorneys fees notwithstanding anything contained herein to the contrary. Escrow holder is hereby given a lien upon all rights, title and interest of each party hereto in any and all papers, property and monies deposited in this escrow to protect its rights and to indemnify and reimburse escrow holder hereunder.

9. In the event it may be necessary for the consummation of this escrow, escrow holder is authorized to deposit or to have deposited funds, documents, certified copies of these escrow instructions and any amendments thereto, and any information concerning this escrow with any bank, trust company, title insurance company, saving and loan association, building and loan association, licensed escrow agent, subject to escrow holder's order pursuant to the closing of this escrow and such deposit shall be deemed to be a deposit in accordance with the meaning of these escrow instruction.
10. All funds received in this escrow may be deposited with other escrow funds in any general trust account or accounts maintained by escrow holder in an institution insured by a Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, without any liability for interest. Escrow holder shall not be responsible in the event of the failure, insolvency or bankruptcy of the depository. All disbursements shall be made by escrow holder by checks drawn on said account and employees of escrow holder will not identify any payee or guarantee signature at any bank or saving and loan association.
11. All disbursement of fund and or instruments from this escrow shall be mailed, unregistered, to the parties entitled thereto in accordance with these escrow instructions, at the address specified.
12. In the event of cancellation of this escrow, the parties hereto jointly and severally agree to pay escrow holder a sum sufficient to pay for any expenses which escrow holder may have incurred pursuant to these instructions and a reasonable cancellation fee for services rendered by escrow holder. Said expense and fees are to be deposited in escrow before such cancellation will be deemed effective. Any funds which have been deposited by any party shall be returned to such party and all other funds shall be remitted unless escrow holder is specifically instructed to the contrary by all of the parties hereto.
13. The parties hereto jointly and severally agree that if escrow holder renders any service not provided for herein or there is any assignment of interest in the subject matter of this escrow, escrow holder shall be reasonably compensated for such extraordinary service, in addition to escrow holder's usual escrow fee, and likewise escrow holder shall be reimbursed for all additional costs or expenses occasioned by such extraordinary service and that said sums shall be paid immediately upon demand.
14. The signature of any party on any instruments or instructions pertaining to this escrow shall be deemed to indicate that party's unconditional acceptance and approval of the same.
15. No change of instructions shall be of any effect unless given in writing by all parties to this escrow, or their respective nominees. These instructions may be executed in counterparts, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed as an original, and said counterparts together shall constitute on and the same instrument.
16. Whenever, the context of any provision shall require it, the singular number shall be hold to include the plural number, and vice versa, the use of any gender shall include any other or all genders in these escrow instructions.
17. Any amended, supplemental or additional escrow instructions given to escrow holder shall be subject to all of these general escrow terms and conditions.
18. The parties do attach hereto and incorporate by reference that certain Contract to Purchase executed by the parties and dated the \_\_\_\_day of \_\_\_\_\_, 20\_\_\_\_ fully as if herein set forth.

19. By execution of the escrow instructions, all parties to said escrow acknowledge receipt of a copy of the escrow instructions.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Seller

Accepted:

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Escrow Agent

## **THE SURVEY**

The following forms are used to limit and control the survey process to insure a fair, safe and accurate survey with as few complications as possible.

Not all transactions will require these forms.

**RELEASE OF LIABILITY  
FOR  
BOARDING OF VESSEL**

Name of Vessel:

Official Number:

Owner:

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The undersigned does hereby release from any and all liability and hold harmless from injury or loss, the owners, agents, officers and crew, for any and all accidents occurring during their inspection, survey or sea trial of the above described vessel for any cause whatsoever, be it known or unknown, obvious or concealed.

This said release is given in exchange for permission to board and inspect said vessel.

Any dispute arising out of boarding and inspection of said vessel, including causes of action for personal injury or damage shall be resolved by arbitration before the Superior Court of the Jurisdiction in which the Owner's principal office is located.

Dated:

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Name:

Address:

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## BUYER'S INSTRUCTIONS TO SURVEYOR

TO: (Surveyor)

RE: Vessel Name: \_\_\_\_\_

Official Number: \_\_\_\_\_

Dear Sir:

You are hereby authorized to conduct a survey of the above entitled vessel on our behalf. The vessel is located at \_\_\_\_\_.

The date and time of survey are as follows: \_\_\_\_\_.

Please contact the Owner/Captain \_\_\_\_\_ who may be reached at telephone number \_\_\_\_\_ for boarding information.

The purposes for which I intend to use the vessel are as follows:

I wish for particular attention to be paid to the following items:

The vessel is classified under the following classification society and should be free of recommendations at the time of purchase:

Thank you for your assistance.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Buyer

## LETTER TO CLASSIFICATION SOCIETY TO RELEASE RECORDS

Dated:

TO: American Bureau of Shipping

RE: Vessel Name: \_\_\_\_\_

Official Number: \_\_\_\_\_

ABS Number: \_\_\_\_\_

Dear Sirs:

Please be advised that I am the registered Owner of above named vessel, which is classed under the American Bureau of Shipping with the following classification:

Please be advised that I have entered into preliminary negotiation for the sale of said vessel. This letter is to authorize you to release to:

Buyer:

Address:

City, State, Zip:

or his duly authorized agent, surveyor or consultant, all records that relate to the above described vessel. Any and all expenses incurred in providing the Buyer with documents, drawings or records shall be at his expense.

If you have any questions, please contact me at \_\_\_\_\_ or fax  
\_\_\_\_\_.

Very truly yours,

\_\_\_\_\_  
Owner



## LETTER TO OWNER REGARDING SURVEY

TO: (Owner)

RE: Vessel Name: \_\_\_\_\_

Official Number: \_\_\_\_\_

Dear Sir:

Please be advised that I have retained the services of the following surveyor to conduct a survey of the vessel.

The Surveyor will contact you or your captain directly to arrange boarding instructions and appointments with the shipyard for dry docking of the vessel.

Please have all ship's drawings, records, license and inspections, and certificates available at the time of survey.

Thank you for your assistance.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Buyer

**LETTER TO BUYER  
LIMITING EXTENT OF NON-DESTRUCTIVE SURVEY**

TO: (Buyer)

RE: Vessel Name: \_\_\_\_\_

Official Number: \_\_\_\_\_

Dear Sir:

Please be advised that you and your duly authorized surveyor are hereby granted permission to survey the above described vessel upon the following terms and conditions:

1. The survey may commence on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.
2. The vessel will be available for inspection and survey at its berth located at \_\_\_\_\_  
between the hours of 8:00 A.M. and 5:00 P.M.
3. Our captain will be in attendance to operate machinery. Neither you nor your surveyor is authorized to operate any of the ship's machinery without the Captain or the ship's engineer being present.
4. You may open all tanks, voids, etc. at your discretion. Our captain will be present during the time to assist you in any way.
5. You are directly prohibited from any destructive testing, cutting, or damaging in any way, any part of the hull or machinery of the vessel without my prior written permission.
6. Your survey must be completed on or before 5:00 P.M., local time, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Seller

## LETTER TO SHIPYARD

TO: (Shipyard Manager)

RE: Vessel Name: \_\_\_\_\_

Official Number: \_\_\_\_\_

Dear Sir:

Please be advised that I am the true registered Owner of above described vessel that is scheduled for dry docking at your facility on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

The Purchaser is \_\_\_\_\_.

The Buyer is solely responsible for the costs of hauling out and launching said vessel and he has been directed to prepay or to place on deposit with you funds sufficient to cover said dry docking and launching.

The purpose of said haul out is for a hull survey and inspection.

You are not authorized to perform any other work or service upon the vessel without my prior written permission. Any work so performed without my permission will be deemed to have been rendered gratuitously and without cost to me.

If you have any questions, contact me at \_\_\_\_\_.

My captain is \_\_\_\_\_ and he will be in attendance at the survey.

Thank you for your assistance.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Owner

## **THE SEA TRIAL**

The sea trial is an opportunity for the Buyer to see the vessel in full operation. It is very important that the responsibility of each party is fully understood before the sea trial takes place.

Damage to the vessel through incorrect operation and navigation may result in large repair bills and litigation.

The following forms attempt to allocate responsibility during this period of the survey.

## LETTER AUTHORIZING SEA TRIAL

To Whom It May Concern

RE: Vessel Name: \_\_\_\_\_

Official Number: \_\_\_\_\_

As the registered Owner of the above-described vessel, I hereby authorize the Buyer, \_\_\_\_\_ to conduct sea trials of said vessel upon the following terms and condition:

1. At all times, my captain, \_\_\_\_\_, shall be in full command of the vessel. The captain shall operate all equipment and machinery as is reasonably required by the surveyor and that does not interfere with the safe operation of the vessel. The captain's decision shall be final.
2. The vessel shall operate in a geographic area no more than 100 miles at sea, not north of \_\_\_\_\_ and not south of \_\_\_\_\_.
3. Said sea trial shall not commence before 6:00 A.M., local time on \_\_\_\_day of \_\_\_\_\_, 20\_\_\_\_ and shall be completed on or before 6:00 P.M., local time on the \_\_\_\_day of \_\_\_\_\_, 20\_\_\_\_\_.
4. The following persons, other than the crew designated by the Captain, are authorized to be on board during said sea trials:
5. All foreign nationals on board during sea trials must carry with them passports and evidence of their lawfully being admitted into the United States.
6. All persons are SPECIFICALLY ADVISED THAT NO ILLEGAL DRUGS OR SUBSTANCES are permitted on board the vessel at any time. The Captain is hereby authorized to make reasonable inspections of all persons on board to assure that this ANTI-DRUG policy is observed. The Captain is further ordered to report to the proper authorities any violation of this order.

Dated

Owner

## LETTER TO INSURANCE COMPANY REGARDING SEA TRIALS

TO: (Vessel Insurance Co.)

RE: Vessel Name: \_\_\_\_\_

Official Number: \_\_\_\_\_

Policy Number: \_\_\_\_\_

Dear Sir:

Please be advised that I have authorized the Buyer to conduct sea trials of the above insured vessel on or about the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

My crew and captain will be on board and are in charge of the vessel. The vessel shall operate no more than 100 miles offshore and between \_\_\_\_\_ and \_\_\_\_\_ South.

Said vessel will not be carrying passengers for hire or cargo.

Please confirm, by the attached endorsement or otherwise, that our coverage is in full force and effect and provides protection and indemnification during the time of sea trial and the area of operation.

\_\_\_\_\_  
Ship Owner

### CERTIFICATION

This is to certify that policy number \_\_\_\_\_ is currently in full force and effect for insurance coverage for the vessel \_\_\_\_\_ and provides Protection and Indemnification for the vessel during the above delineated sea trial.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Agent, \_\_\_\_\_ Insurance

## LETTER OF RESPONSIBILITY FOR SEA TRIAL

TO: (Vessel Owner)

RE: Vessel Name: \_\_\_\_\_

Official Number: \_\_\_\_\_

Dear Sir:

As previously agreed we will conduct sea trials of the above named vessel beginning on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ and concluding on or before \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

You will provide the following at your expense:

1. Captain and Crew
2. Insurance coverage providing protection and indemnification for the vessel, hull, and crew and I will be named as an additionally insured under the terms of the policy for the purpose of the sea trial.
3. Risk of loss, partial and complete, will remain with you.
4. Your captain will be in command of the vessel but we will be given opportunities to observe the vessel in various sea states and types of operation as long as they do not endanger the vessel or crew.
5. The following people will be present on my behalf during the sea trial:

I will pay the costs of fuel, lube oil, and consumables during the sea trials.

This constitutes the additional terms in respect to sea trial of the vessel.

Very truly,

Buyer

## AUTHORIZATION FOR CAPTAIN TO ATTEND SEA TRIAL

TO: (Master of the Vessel)

RE: Vessel Name: \_\_\_\_\_

Official Number: \_\_\_\_\_

You are hereby authorized to conduct sea trials of the vessel caption above under the terms and conditions set forth in the letter of this date directed to      (the Buyer)     .

You shall be in full command of the vessel at all time and conduct the sea trial in a safe and seamanlike manner giving due regard to the desires of the potential buyer to observe the vessel in all manner of operation.

You shall have full authority to cancel, limit, and change the terms of the sea trial if, in your judgment, you deem the activity to endanger the vessel.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Owner



## **ACCEPTANCE OR REJECTION OF THE VESSEL**

After completion of the Sea Trial and Survey, the Buyer has an opportunity to reject the vessel as not meeting his requirements. If he does not affirmatively reject the vessel within the time period required, he may be deemed to have accepted the vessel and be required to complete the purchase.

The following forms may be used to complete this portion of the purchase process.

## NOTICE OF ACCEPTANCE OF VESSEL

TO: (Owner)

RE: Vessel Name: \_\_\_\_\_

Official Number: \_\_\_\_\_

Please take notice that I have concluded my inspection, survey and sea trial of the above entitled vessel and it meets all requirements of classification and survey.

Therefore, I formally accept the vessel as meeting all terms of our contract to purchase and now stand ready to conclude the sale on the dates and times specified.

This notice is to be personally delivered to the Owner or other designated agent to accept the notice of acceptance.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Buyer

## RECEIPT OF NOTICE OF ACCEPTANCE

I, \_\_\_\_\_, did receive the above notice of acceptance of vessel from the Buyer at \_\_\_\_\_ o'clock, this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Owner/Agent

## NOTICE OF CONDITIONAL ACCEPTANCE OF VESSEL

TO: (Owner)

RE: Vessel Name: \_\_\_\_\_

Official Number: \_\_\_\_\_

Please be advised that I have concluded my inspection, survey and sea trial of the above entitled vessel.

Said vessel did not fully meet the conditions and specifications set forth in our agreement to purchase.

Buyer will accept said vessel upon the following terms and conditions:

*(List repairs, changes or requirements for acceptance.)*

Upon acceptance and completion of repairs, the vessel will be fully acceptable to the Buyer. If these terms are not acceptable, this notice is to be construed as rejection of the vessel under the terms and conditions of our contract to purchase.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Buyer

## RECEIPT OF NOTICE OF ACCEPTANCE

I, \_\_\_\_\_, did receive the above notice of acceptance of vessel from the Buyer at \_\_\_\_\_ o'clock, this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Owner/Agent

## NOTICE OF REJECTION OF VESSEL

TO: (Owner)

RE: Vessel Name: \_\_\_\_\_

Official Number: \_\_\_\_\_

Please take notice that I have concluded my inspection, survey and sea trial of the above entitled vessel and said vessel does NOT meet the requirements set forth in our agreement to purchase.

I have, by copy of this letter to the broker and/or escrow company, demanded full refund of my deposit. Be further advised that all expenses for survey and haul out have been paid and no expenses have been charged against the vessel.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Buyer

## RECEIPT OF NOTICE OF REJECTION

I, \_\_\_\_\_, did receive the above notice of acceptance of vessel from the Buyer at \_\_\_\_\_ o'clock, this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Owner/Agent

## REQUEST FOR EXTENSION OF TIME

TO: (Owner)

RE: Vessel Name: \_\_\_\_\_

Official Number: \_\_\_\_\_

Please be advised that due to unexpected delays which have included the following:

I have been unable to conclude my inspection, survey and sea trial within the time originally allocated.

Therefore, for these reasons, I request the terms of the contract remain fixed and the time for concluding the inspection, survey and sea trial be extended up to and including 12:00 noon, local time on \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

If for any reason the Seller refuses to grant an extension, the Buyer does hereby formally reject said vessel within the time limits originally set in the contract to purchase, and demands full refund of said deposit.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Buyer

## RECEIPT OF REQUEST FOR EXTENSION OF TIME

I, \_\_\_\_\_, did receive the above notice of REQUEST FOR EXTENSION OF TIME from the Buyer at \_\_\_\_\_ o'clock, this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Owner/Agent

## AGREEMENT TO EXTEND TIME FOR CLOSING OF CONTRACT

Vessel Name

Official Number

Buyer

Seller

Whereas the Buyer and Seller have heretofore entered into a contract for the purchase of the above captioned vessel, said contract dated \_\_\_\_\_, 20\_\_\_\_ and being duly signed.

And whereas by the terms of said contract, the Buyer was to conclude his inspections, sea trial and survey on or before \_\_\_\_\_.

And whereas the Buyer has requested an extension of time to complete his survey, sea trial and inspection.

The Seller does hereby extend the time in which the Buyer may conclude his inspection, survey and sea trial up to and including 12:00 noon, local time, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Consequently, the time for closing the transaction is here extended up to and including 12:00 noon, local time, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Buyer

\_\_\_\_\_  
Seller

## CORPORATE ACCEPTANCE OF PURCHASE OF VESSEL

### BOARD OF DIRECTORS

Of

\_\_\_\_\_ Corporation

A special meeting was held this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ of the Board of Directors of \_\_\_\_\_, Inc. Said meeting being properly noticed and all officers and shareholders being present, the following motion was placed before the board:

Be it resolved that \_\_\_\_\_, Inc. hereby accepts possession and ownership of the vessel MV \_\_\_\_\_ and;

That said vessel be deleted from the Registry of United States of America and placed in the registry of \_\_\_\_\_.

That \_\_\_\_\_ is hereby directed to take physical possession and control of said vessel, maintain, operate and supervise in all aspects whatsoever;

That these proceedings be duly recorded in the minutes of said corporation.

Said propositions passed by unanimous vote of all directors and shareholders.

Said vote having been recorded, \_\_\_\_\_, Inc. hereby accepts possession and ownership of said M.V. \_\_\_\_\_.

Said vessel is to be deleted from the Registry of the United States of America and registered under the flag of \_\_\_\_\_.

Said \_\_\_\_\_ is hereby authorized to take physical possession of said vessel and to supervise and control it within his sole discretion.

Duly recorded and signed at \_\_\_\_\_, this, the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

## **CLOSING DOCUMENTS**

It is important to finish up the transaction completely and resolve any issues that may be remaining. The following letters discontinue dockage, insurance, etc. that may result in liability to the former owner.

Documentation of the vessel is not dealt with in these forms but should be concluded by the time of closing.



## LETTER TO MORTGAGE HOLDER

TO: (Mortgage Holder)

RE: Vessel Name: \_\_\_\_\_

Loan Number: \_\_\_\_\_

Owner: \_\_\_\_\_

Dear Sirs:

Please be advised that I have entered into a contract for the sale of the above entitled vessel.

By the terms of said sale, the Buyer will pay, in full, the outstanding balance upon said First Preferred Ship's Mortgage.

The date of the closing will be \_\_\_\_\_.

Please advise me in writing of the balance due upon that date and any other charges or assessments thereto.

Please also be advised that the Buyer will require that the Mortgage be fully satisfied on record with the U.S. Coast Guard Documentation Office.

You are hereby authorized to release to the Buyer, \_\_\_\_\_, or his duly authorized agents any and all information concerning the satisfaction of this loan.

Thank you for your assistance to this matter.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Owner

## NOTICE TO INSURANCE COMPANY

TO: (Vessel Insurance Co.)  
RE: Vessel Name: \_\_\_\_\_  
Official Number: \_\_\_\_\_  
Owner Policy #: \_\_\_\_\_

Dear Sirs:

Please be advised that the above named vessel has been sold to  
\_\_\_\_\_ effective the \_\_\_\_\_ day of \_\_\_\_\_,  
20\_\_\_\_ at 12:00 Midnight.

Please terminate all insurance coverage relating to said vessel as of that date and  
refund directly to me any unearned premiums.

Thank you for your service in this matter.

Best wishes,

\_\_\_\_\_  
Owner

## NOTICE TO HARBOR MASTER / WHARFINGER

TO: (Harbor Master)

RE: Vessel Name: \_\_\_\_\_

Official Number: \_\_\_\_\_

Berth: \_\_\_\_\_

Dear Sirs:

Please be advised that the above-named vessel has been sold to \_\_\_\_\_ effective the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ at 12:00 Midnight.

Please terminate our agreement for berthage at Berth \_\_\_\_\_ effective as of that time.

Mr. \_\_\_\_\_ has been advised to contact you directly for additional berthing assignment.

Thank you for your assistance.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Owner

## NOTICE TO CAPTAIN & CREW

TO: Captain \_\_\_\_\_  
& the Crew of the  
Vessel Name: \_\_\_\_\_  
  
Official Number: \_\_\_\_\_

RE: Sale of Vessel

Dear Captain \_\_\_\_\_:

This will formally advise you that the vessel has been sold to \_\_\_\_\_  
\_\_\_\_\_ effective 12:00 Midnight, on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

As we have previously discussed, your employment with our company will terminate upon that date and you are free to take employment with the new owners.

Please also personally advise each member of the crew that their employment shall also terminate effective at the same time. Likewise, as we discussed, they are free to seek employment with the new owners.

Please post a copy of this notice immediately on the bridge of the vessel and in crew's mess. All payment for crew wages are paid through that date.

Thank you for your service.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Owner

**ACKNOWLEDGEMENT  
OF  
NO OUTSTANDING LIENS**

Name of Vessel:

---

Official Number:

---

Hailing Port:

---

Registered Owner:

---

To whom it may concern:

This is to certify that the undersigned has no outstanding or unpaid claim against the above captioned vessel.

I acknowledge that I have been paid in full for all supplies, necessities, equipment and services provided to the vessel up to and including today's date. I further acknowledge that I am unaware of any unfilled lien against the vessel.

Dated this the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Name of Company:

Name:

---

Address:

---

---

Telephone:

---

Fax:

---

## LETTER AUTHORIZING BANK TO RELEASE FUNDS

TO: (Lender)

RE: Vessel Name: \_\_\_\_\_

Official Number: \_\_\_\_\_

Date of Closing: \_\_\_\_\_

Dear Sirs:

Please be advised that we have concluded our survey, inspection and sea trial of the above entitled vessel and have found it to be fully acceptable.

We are now prepared to conclude the transaction with the Seller:

This is to authorize you to release the funds previously authorized by you for purchase of the vessel to the Seller, lien holders, and the First Preferred Ships Mortgage holder.

This will further authorize you to file the First Preferred Ship's Mortgage in your favor on the terms and conditions to which we previously consented.

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Buyer

## CLOSING STATEMENT

Name of Vessel: \_\_\_\_\_  
Official Number: \_\_\_\_\_  
Seller: \_\_\_\_\_  
Buyer: \_\_\_\_\_  
Date of Closing: \_\_\_\_\_  
Purchase Price: \_\_\_\_\_

## LIENS AND MORTGAGES TO BE SATISFIED

1. \_\_\_\_\_ \$ \_\_\_\_\_  
2. \_\_\_\_\_ \$ \_\_\_\_\_  
3. \_\_\_\_\_ \$ \_\_\_\_\_  
4. \_\_\_\_\_ \$ \_\_\_\_\_  
5. \_\_\_\_\_ \$ \_\_\_\_\_

## SALES/BROKERS COMMISSIONS

1. \_\_\_\_\_ \$ \_\_\_\_\_  
2. \_\_\_\_\_ \$ \_\_\_\_\_  
3. \_\_\_\_\_ \$ \_\_\_\_\_

## SALES AND USE TAXES

Sales and use taxes have been pro rated as follows:

Seller \$ \_\_\_\_\_  
Buyer \$ \_\_\_\_\_

**OTHER FEES OR EXPENSES**

**DISBURSEMENT OF FUNDS**

BALANCE TO SELLER:     \$ \_\_\_\_\_

I have reviewed the preceding disbursements of funds and hereby approve same.

Dated:

\_\_\_\_\_  
Seller

Dated:

\_\_\_\_\_  
Buyer