

**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