

## YACHT PURCHASE THROUGH BERTHON

You have now seen the yacht which fits your needs best. What happens next? Read on:

If you wish to proceed further, the next step is to ask us to make an offer to the vendor for the yacht on your behalf. We would recommend that such an offer should be made subject to a survey and/or sea trial. In certain circumstances, it may be sensible to make an offer on an 'as is, where is' basis, but we must point out to you, that to do so does incur an element of risk which you must understand. The purchase of a yacht is a commitment and a professional surveyor's report is the best way for you to establish the yacht's structural integrity and her ability to go to sea in safety.

The majority of owners do not buy and sell in the course of a business, and therefore no statutory warranties apply. It is up to the purchasers to satisfy themselves of the structural integrity and suitability of the yacht for their purposes. The surveyor is, therefore, crucial in the transaction so that you can be absolutely clear of what you are buying. You should select a surveyor who carries Professional Indemnity Insurance, and who is properly qualified to ensure that you receive the best possible advice, and that if a mistake occurs, their insurance will cover any negligence for which they may be liable. As the broker, we are remunerated by the vendor, although we have a very clear *duty of care* to the purchaser. It is not our practice to recommend a surveyor, although we would be happy to supply the list of qualified surveyors from which you may make a choice. It may be that you already know of a surveyor who would act for you. Your chosen surveyor will be working for you, so you should feel free to talk to him about any particular areas of concern to you, if you have any, and about plans that you have for the yacht.

When an agreement has been reached between a purchaser and a vendor, it is our responsibility to prepare the Yacht Sale Agreement, which will then be signed by both parties. Once both purchaser and vendor have signed this and the deposit, 10% of the agreed figure, is paid to us which we hold as Stakeholders in our client account, we will exchange and a binding contract will exist.

This deposit is returnable under the terms of the Agreement if the yacht proves to be unsatisfactory on sea trial, on survey, or if any of the conditions of the contract are not fulfilled by the vendor. Please be aware that if you agree to purchase a yacht 'as is, where is', you will sign an Unconditional Sale & Purchase Agreement for the Sale of a Second hand Vessel, where the 10% deposit is part-payment for the yacht, and no other stipulations apply except where the conditions of the contract are not fulfilled by the vendor.

Once you have signed the contract and the deposit payment is made, to comply with the conditional contract, a survey/sea trial is carried out. The cost of survey and slipping and any ancillary costs are the responsibility of the purchaser. If survey/sea trial reveals defects unknown to you, you have the option of renegotiating the price, requesting the owner to make

good such defects or rejecting the yacht. Assuming a fair compromise can be reached, the sale will then be completed. If not, your deposit will be returned less any direct costs of survey and reinstatement. It is your responsibility to re-instate the yacht to the condition and position in which you found her.

If there has been renegotiation after the survey/seatrial and you reach an agreement, or where there are no problems with the survey/seatrial, under the terms of the Agreement you have to proceed to purchase. At this stage, your deposit becomes part-payment for the yacht, and is forfeit if you fail to complete. The time period from acceptance to completion is generally 7 days. If you require a deviation from this, it should be agreed at contract stage, when any alteration to standard terms and conditions that are acceptable to both purchaser and vendor may be agreed and incorporated into the contract.

**Berthon** will obtain for you the yacht's registration papers and other title documents as well as documents relating to the VAT status of the yacht and RCD compliance, if appropriate. We will carry out reasonable checks to ensure that the vendor has clear title to the yacht. This includes running a transcript on all British yachts whether or not they are registered with the Registrar. We prepare the Bill of Sale for signature and execution by the vendor. On completion, the balance of the purchase price becomes payable to **Berthon International** as Stakeholders for both parties and the yacht is then handed over, together with the signed Bill of Sale and any other relevant documents.

Contrary to what you may have heard, yacht finance is still very much available. **Berthon** works with Lombard Marine Finance and we would be pleased to put you in touch with them.

It is important that you consider the insurance of the yacht early in the purchase procedure. You should be aware that from completion you must insure the yacht to a minimum of third party cover, you therefore need to organise this prior to the completion date. **Berthon International** works with GJW Direct and a number of other insurers and would be pleased to put you in touch with them.

It is our aim at **Berthon** to make yacht purchase a pleasant experience. We will guide you through the various pitfalls and are always on hand to give you advice. If you have any other queries, please do not hesitate to ask us to try and answer them for you. As one of Europe's most established and international brokerage houses, we have unrivalled experience in this field. It costs no more to use the services of the most experienced yacht broker.