

**AGREEMENT FOR THE SALE AND PURCHASE OF A
SECOND-HAND BOAT**



An Agreement prepared by the Royal Yachting Association for the sale of a second-hand boat between persons not normally engaged in the business of buying and selling boats.

This document is intended to create a legally binding contract; any Party contemplating signature is advised to take appropriate independent advice before doing so.

THIS AGREEMENT is dated the _____ day of _____ 20____ (*insert the date on which the last Party signs the Agreement*) **and is made between:**

The 'Seller(s)' : (*Name*)
of : (*Address*)

The 'Buyer(s)' : (*Name*)
of : (*Address*)

In respect of the boat described below:

Name of Boat:

Flag and Port of Registry (if any):

Lying at:

Register Status: (Part I/Part III/Other/Unregistered)

Official No: HIN/CIN Number:

Principal Dimensions:

Hull Length Overall: Beam: Draught:

Gross Registered Tonnage:

Engines (make, power and date of build):

Description and Construction Materials:**Builder:****Date of Build:****Date of Purchase by Seller:****Financed YES/NO By:****Amount of Finance Outstanding at Date of Agreement:****VAT Paid in EU? YES/NO****Place of Delivery of the Boat:****1 Agreement for Sale**

- 1.1 The Seller agrees to sell and the Buyer agrees to buy the boat free from all mortgages, debts, claims and charges of any kind (subject to the conditions and terms of this Agreement), together with all her gear and equipment as set out in the inventory attached hereto and signed by the Parties, but not including provisions or the Seller's personal effects, for the Purchase Price.

The Parties are strongly advised to prepare, sign and attach to all copies of this Agreement a full inventory of equipment included in this sale.

- 1.2 The 'Purchase Price' : £sterling
(in words.....)
The Deposit (if applicable): £.....sterling
(in words.....).

Although this Agreement is legally binding without a Deposit, either Party may prefer a Deposit to be paid (typically anything from 1% to 10%); the Seller to cover himself against sea trial or haul-out charges or remedial work after survey or other wasted costs; the Buyer as a 'comfort factor' that he has secured the boat. Where the Parties agree that no Deposit is required, all references to the Deposit (in italics throughout) should be deleted.

- 1.3 Within [3] working days of signing this Agreement the Deposit (if applicable) is to be paid to the Seller.

2 Value Added Tax and Duties

- 2.1 The Price is inclusive of all VAT or Customs Duty which may be payable by the Seller on the boat.

If the Price is not inclusive of VAT or any tax or duty, or original documentary evidence is not available, the Buyer should seek independent advice and other appropriate terms should be agreed and recorded regarding responsibility for their payment.

- 2.2 The Seller warrants that the boat has been properly imported into the EU and that all appropriate taxes and dues have been paid and all relevant regulations have been complied with.

- 2.1 If the boat has not been properly imported into the EU then the Buyer should be aware that importation into the EU will require payment of VAT and compliance with the Recreational Craft Directive.

3 Payment of Balance and Completion of Sale

- 3.1 Upon acceptance of the boat by the Buyer in accordance with Clause 7, the Deposit shall be treated as part payment of the Purchase Price.

- 3.2 Within seven days of acceptance of the boat by the Buyer in accordance with Clause 7, the Buyer shall pay the *balance of the* Purchase Price including any Value Added Tax due thereon and the Seller shall:

- 3.2.1 In the case of a Part I registered boat:

- 3.2.1.1 Provide the Buyer with the current Certificate of Registry made out in the Seller's name, together with all other documents relating to the boat as set out in the attached schedule and shall execute a Bill of Sale in the prescribed form in favour of the Buyer, showing the boat to be free of all liabilities and completed so as to ensure transfer on the Register;

OR

- 3.2.2 In the case of a Part III registered or unregistered boat:

- 3.2.2.1 Provide the Buyer with a Bill of Sale in favour of the Buyer showing the boat is free of all liabilities, together with all other documents relating to the boat as set out in the attached schedule.

- 3.3 By delivery of the documents specified in either case the Seller shall be deemed to have covenanted AND HEREBY COVENANTS that he is the [sole] legal and beneficial owner and has the right to transfer property in the boat and that the

same is free from all encumbrances, mortgages, charges, liabilities for duties, taxes, debts, liens of any kind except those that are the responsibility of the Buyer under Clauses 5 and 7.2, or otherwise specifically stated in this Agreement.

- 3.4 Where payment is made by cheque, draft, letter of credit or other instrument, the terms of this Agreement shall be deemed not to have been fulfilled until such payment is cleared into the payee's account, or paid to the Seller in cash or by Banker's Draft.
- 3.5 On completion, the Seller shall ensure that the boat is available for collection by the Buyer, and that free access by the Buyer is permitted at no additional cost to the Buyer.

4 Warranties

- 4.1 The Seller is not selling the boat in the course of a business, trade or profession. The Buyer is free to inspect, survey and sea trial the boat and all gear and equipment included within the sale and to satisfy himself as to her condition, quality and specification. Therefore all express or implied warranties or conditions, statutory or otherwise, are hereby excluded unless specifically included in this Agreement, and the boat, her gear and equipment shall be taken with all defects and faults of description without any allowance or abatement whatsoever.

5 Sea Trial and Survey

5.1 Sea Trial

- 5.1.1 The Buyer shall, at a venue to be agreed and at his own cost, be entitled to require the Seller to perform a sea trial of the boat, her gear and machinery and all items included within the sale. The duration of such sea trial shall be proportionate to the cost and complexity of the boat and its systems but, unless specifically agreed at the time of contract, shall not be shorter than [one] hour nor longer than [eight] hours. The Seller shall be obliged to insure the boat for the duration of the sea trial and shall provide any necessary crew. The Buyer shall be entitled to be accompanied by up to two surveyors or advisers, any co-purchasers and not more than one member of his immediate family, subject to space constraints. The sea trial shall take place in reasonable weather conditions and not more than [five] miles offshore. Unless agreed otherwise the Buyer and his party shall be responsible for supply of their own life jackets and other personal safety equipment. The Buyer shall be responsible for the cost of any fuel and oils consumed during the sea trial.

- 5.1.2 If, for any reason whatsoever the boat has not performed to the Buyer's satisfaction on the sea trial and he does not wish therefore to proceed with the purchase, he shall give written notice of his rejection of the boat to the Seller within twenty four hours of the sea trial or prior to the placing ashore of the boat for the survey referred to in Clause 5.2 below whichever shall be the sooner. In the event

of the Buyer giving notice of rejection, all fuel and oil expenses incurred by the Seller on the sea trial shall be payable by the Buyer *from the Deposit and the balance of the Deposit shall be returned to the Buyer forthwith*. If notice of rejection is not given the sea trial shall be deemed to have been to the Buyer's satisfaction.

The Parties should discuss and agree the scope, range and form of the sea trial in advance with each other and with any surveyor to avoid surprises or time wasting during the trial itself.

5.2 Survey

5.2.1 The Buyer may, at a venue to be agreed and at his own cost, be entitled to require the Seller to arrange to slip or crane the boat ashore and open up the boat and her machinery for the purposes of survey which shall be completed within twenty one days of the signing of this Agreement. If any survey requires more than superficial non-destructive dismantling and limited removal of anti-fouling the consent of the Seller must be obtained before such work commences, such consent may not be unreasonably withheld.

5.2.2 Within fourteen days of the completion of the survey the Buyer may, by written notice to the Seller:

EITHER

5.2.2.1 Reject the boat outright if the Buyer rejects the Boat, this Agreement shall be automatically terminated *and the Seller shall refund the Deposit to the Buyer in accordance with Clause 8*.

OR

5.2.2.2 Reject the Boat but offer to proceed with the purchase and accept the Boat on the condition that the Seller agrees either:

5.2.2.2.1 to rectify specific listed defects or deficiencies in the Boat and/or the Inventory before Completion. All required items of work to be completed without undue delay and carried out to meet the expressly specified requirements of the survey; or

5.2.2.2.2 to a reduction in the Purchase Price to enable the Buyer to rectify such defects or deficiencies after Completion.

5.2.3 If the Buyer serves notice requiring the Seller to rectify specific listed defects or deficiencies, or to make a reduction in the Purchase Price, and the Seller has not agreed to make good such defects, or the Parties have not agreed a reduction in the Purchase Price within twenty one days, then this Agreement shall be deemed

to have been rescinded on the twenty second day after the service of notice, *and the Seller shall refund the Deposit to the Buyer in accordance with Clause 8.*

- 5.3 In the case of deficiencies in the boat's inventory remaining within seven days of acceptance in accordance with Clause 7, the deficiencies shall be made good or a reduction in the Purchase Price shall be agreed, failing which this Agreement shall be rescinded at the option of the Buyer only.

6 **Non-use by Seller**

- 6.1 The Seller agrees not to use the boat after completion of the survey undertaken on behalf of the Buyer except to move the boat to a suitable storage location and to conduct any sea trials requested by the Buyer. If the boat is not accepted under the terms of this Agreement and the contract is rescinded, the Seller may thereafter use the boat.

7 **Acceptance of Boat or Rescission of Agreement**

- 7.1 The boat shall be deemed to have been accepted by the Buyer after the occurrence of any of the following events:

EITHER

- 7.1.1 The expiry of twenty two days from the date of this Agreement or such period as may be agreed in writing between the Parties, providing that no survey or arrangement for a sea trial has been commenced;

OR

- 7.1.2 The expiry of fifteen days from the completion of the survey (or receipt of the written report by the Buyer) and/or sea trial or such extended period as may be agreed between the Parties, provided that the Buyer has not served notice under Clauses 5.2.2.1 or 5.2.2.2;

OR

- 7.1.3 The expiry of seven days, or such period as may be agreed between the Parties, from notification in writing by the Seller to the Buyer of completion of the remedial works specified in a notice given by the Buyer in Clause 5.2.2.1.

- 7.2 In the event of the rescission of this Agreement by the Buyer following survey, and/or sea-trial, he shall at his own expense reinstate the boat to the condition and position in which he found her, and shall pay all boatyard and surveyor's charges for this work, *and the Seller shall return the Deposit as specified under Clause 8.*

8 Return of Deposit

- 8.1 Within seven days of the completion of any reinstatement work required under Clause 7.2, the Seller shall return the Deposit to the Buyer without deduction and without interest, save that he shall be entitled to retain such part of the Deposit necessary to defray any reasonable boatyard or surveyor's charges not paid by the Buyer. Neither Party shall thereafter have any claim against the other under this Agreement.

9 Risk

- 9.1 Until completion and delivery of the boat to the Buyer the boat shall be at the sole risk of the Seller who shall make good any damage (other than damage caused by the Buyer or his surveyor) sustained before actual delivery to the Buyer.
- 9.2 If the boat becomes an actual or constructive loss before completion this Agreement shall terminate *and the Deposit shall be immediately returned to the Buyer without interest but without deduction or charge* and the Buyer shall have no claim against the Seller for damages. The Buyer shall, however, remain liable for the cost of any yard work or surveyor's fees commissioned by him or at his request.
- 9.3 Upon delivery of the boat to the Buyer risk in the boat shall pass to the Buyer.

10 Completion/Title

- 10.1 Title in the boat shall pass to the Buyer upon completion in accordance with Clause 3.

11 Default by Buyer

- 11.1 Should the Buyer fail to pay the Purchase Price in accordance with Clause 3, the Seller may give notice in writing to the Buyer requiring him to complete the purchase within [fourteen] days of such notice. If the Buyer fails to comply with the notice the Seller shall be entitled to re-sell the boat, and the Seller may claim from the Buyer the amount of any loss on re-sale, together with all his associated reasonable costs and expenses. *Any Deposit paid shall be forfeit provided that due allowance and refund to the Buyer shall be made if the Seller's loss, costs and expenses on the re-sale be less than the Deposit.*

12 Default by the Seller

- 12.1 If the Seller shall default in the execution of his part of the contract the Buyer shall, without prejudice to any other rights he may have, be entitled to *the return of the Deposit in full, without deduction, together with his reasonable costs, expenses and compensation for any associated loss which he may have sustained as a result of the Seller's default. Unless such default by the Seller shall have arisen from events over which the Seller had no control, the Seller shall pay interest upon*

the amount of the Deposit for the period during which he has held it at the rate of 4% per annum above Finance House base rate.

13 **Non-Production of Documents**

13.1 The Seller has warranted that he is able to provide the documentation listed in the schedule to this Agreement. If the Seller is subsequently unable to provide the documentation as listed the Buyer shall be entitled to withdraw from this Agreement *and the Seller shall forthwith return the Deposit paid, if any, to the Buyer.*

13.2 If the Buyer shall have incurred the cost of a sea trial and/or survey and is subsequently unable to continue with the purchase due to the Seller's inability to provide relevant documentation, the Buyer shall be at liberty to recover the cost of the sea trial and/or survey and associated costs from the Seller.

14 **Dispute Resolution**

14.1 Disputes may, when they cannot be resolved by negotiation, with the written agreement of the Parties, be submitted to mediation.

14.2 Nothing in this clause shall affect the rights of the Parties to submit any dispute to the Courts of England & Wales, (or of Scotland if the Seller's address shall be in that country).

14.3 If any provision of this Agreement is held by any court or other competent authority to be void or unenforceable in whole or in part, this Agreement shall continue to be valid as to the other provisions thereof and the remainder of the affected provision.

15 **Notices**

15.1 Any notice to the Buyer or Seller under this Agreement shall be in writing and shall be sufficiently served if delivered to him personally or posted by recorded delivery to the address set out in this Agreement. Any notice posted shall be deemed to have been received [two] business days after the time of posting, and any notice delivered personally shall be deemed to have been received from the time of delivery.

15.2 Notices may also be served by e-mail or fax, in which case they shall be deemed received upon despatch if despatch was on a business day in the United Kingdom and within 0900-1700 hours UTC and there was no delivery failure notice. If despatched before 0900 hours UTC on a business day, the notice shall be deemed received at 0900 hours UTC that day. If despatched after 1700 hours UTC on a business day or on any non-business day, the notice shall be deemed received at 0900 hours UTC on the next business day.

16 Law

16.1 This Agreement shall be governed by the law of England and Wales (or of Scotland if the Seller's address shall be in that country) and the Parties agree to submit to the jurisdiction of the courts of those countries.

17 Marginal Notes

17.1 The construction of this Agreement is not to be affected by any marginal notes.

18 Entire Agreement

18.1 This agreement together with any schedule and/or inventory signed by both Seller and Buyer forms the entire agreement between the Parties unless otherwise specifically agreed in writing between them.

19 Third Party Rights

19.1 For the purpose of the Contracts (Rights of Third Parties) Act 1999, this agreement does not and is not intended to give any rights to enforce any of its provisions, to any person who is not a Party to it.

SIGNED BY THE SELLER(S):

Name:.....

Date:.....

In the presence of:

.....
(Witness signature)

.....
(Witness full name and address)

.....
(Witness Occupation)

If the boat is jointly owned, then all owners to sign as joint Sellers.

SIGNED BY THE BUYER(S):

Name:.....

Date:.....

In the presence of:

.....
(Witness signature)

.....
(Witness full name and address)

.....
(Witness Occupation)

If the boat is being jointly purchased, then all Buyers to sign as joint Buyers.

INVENTORY: **(See Clause 1)**

PROTOCOL OF DELIVERY AND ACCEPTANCE

| | |
|---|---|
| Vessel Name: | |
| Official / HIN / CIN Number: | |
| _____ (the "Vessel") | |
| Seller | : |
| _____ (the "Seller") | |
| Purchaser | : |
| _____ (the "Purchaser") | |
| Sale and Purchase Agreement dated _____ | |
| (the "Sale and Purchase Agreement") | |
| _____ | |
| The Seller hereby duly acknowledges receipt of the purchase price of [GBP] / [EUR] / [USD]* | |
| _____ and delivers the | |
| Vessel to the Purchaser free from all liens, charges, claims, mortgages and encumbrances | |
| of any kind at: | |
| Date | : |
| Time | : |
| <i>(local time)</i> | |
| Location | : |
| in accordance with the Sale and Purchase Agreement. | |
| The Purchaser duly accepts delivery, title and risk of the Vessel, her agreed inventory and | |
| equipment and agreed documents on the date and at the time and location referred to above | |
| and in accordance with the Sale and Purchase Agreement. | |

For and on behalf of
The Seller

For and on behalf of
The Purchaser

Name:
Title:

Name:
Title:

SCHEDULE OF DOCUMENTS (See Clauses 3.2.1/3.2.2)

The following documents should normally be available; however it should be recognised that they will not always be available and in such circumstances the Parties may agree to amend the Schedule of Documents BEFORE the contract is signed in order that the Buyer knows what documents he is contractually entitled to receive at Completion. Any deletions or additions should be initialled by the Parties.

1. All Certificates of Registry in the Seller's possession relating to the boat current or expired;
2. A properly executed Bill of Sale in a form to be approved by the Buyer in favour of the Buyer;
3. Bills of Sale tracing ownership from the very first owner of the vessel to the current Seller;
4. Builder's certificate;
5. Builder's invoices;
6. Original/copy VAT invoice;
7. Evidence of date of arrival in the European Community;
8. Confirmation of compliance with the Recreational Craft Directive, if applicable, in the form of an owner's manual (including or together with a written declaration of conformity) or details of Recreational Craft Directive exemption;
9. Any other documents in the Seller's possession relating to his acquisition of the vessel, which may include:
 - a. Equipment manuals;
 - b. Service records;
 - c. Receipts for repair work;
 - d. Racing Certificates;
 - e. Mooring charges;
 - f. Harbour dues.
10. Where the Seller is a company, certified true copies of the corporate authorities approving this Agreement and appointing the signatories to execute this Agreement, the Bill of Sale and, if applicable, the Protocol of Delivery and Acceptance;
11. Any delivery order or authority necessary to enable the Buyer to take immediate possession of the boat.



The RYA Legal Team produce information leaflets, standard templates, agreements and documents for use by members, affiliated clubs and class associations. This material is protected by copyright which is owned by the RYA.

USE:

- RYA members may use the material for non-commercial private purposes.
- Affiliated clubs and class associations may use the material for non-commercial purposes such as attracting and retaining members, regulating the affairs of the club and organising events for members and non-members.

The material produced by the Legal Team is not otherwise to be incorporated or distributed in any work or in any publication in any form without the permission of the RYA Legal Team.

MODIFICATION:

The standard documentation produced by the Legal Team is intended to be reasonably comprehensive but cannot cover all eventualities. It is therefore anticipated that, in many instances, RYA members, affiliated clubs and class associations will need to amend the documentation to meet specific requirements. Where members, affiliated clubs and class associations do amend RYA standard documentation they should make this clear on the documentation.

For more information kindly contact the RYA Legal Team Tel: 023 8060 4223 or email: legal@rya.org.uk

RYA Responsibility Statement:

The RYA Legal Team provides generic legal advice for RYA members, affiliated clubs, class associations and Recognised Training Centres. The information contained in this Guidance represents the RYA's interpretation of the law as at the date of this edition. The RYA takes all reasonable care to ensure that the information contained in this Guidance is accurate and that any opinions, interpretations and guidance expressed have been carefully considered in the context in which they are expressed. However, before taking any action based on the contents of this Guidance, readers are advised to confirm the up to date position and to take appropriate professional advice specific to their individual circumstances.