

## AGREEMENT FOR THE SALE AND PURCHASE OF A SECONDHAND VESSEL

***This document is intended to create a legally binding contract. If you are unsure of any of the conditions you are advised to take appropriate legal advice.***

Not to be used for the sale of new vessels.

Note: The Vendor and Purchaser should initial the foot of each page where shown to indicate agreement with the clauses contained on the page and any amendments thereto.

NAME OF VESSEL	LENGTH	MODEL/MANUFACTURER	HULL NUMBER	REGISTRY / FLAG
xxxx	11.95m	BENETEAU OCEANIS 393	xxx	FRENCH (ST RAPHAEL)

Vendor's Full Name & Address  
Sunsail Worldwide Sailing Limited  
Hampshire  
PO6 4TH

Broker/Agent authorised to act on his behalf  
Emma Watson  
Alkor Yat Turizm Isit AS  
Barbaros Cad No68  
Marmaris 48700  
Turkey

Purchaser's Full Names & Address  
Al Bukey  
Box 1281, Station K  
Toronto, Ontario M4P 3E5  
Canada

### 1 Purchase Price

The Vendor agrees to sell and the Purchaser agrees to purchase the above-mentioned vessel free from any encumbrances subject to the conditions and terms of the Agreement for the sum of (figures) **US\$106,000 excluding VAT**. say (words) **ONE HUNDRED AND SIX THOUSAND US DOLLARS EX VAT**, now lying afloat at ORHANIYE, TURKEY together with all her outfit, gear and equipment but not including stores or the Vendor's personal effects or as expressly defined in any Schedule hereto.

The Vendor is registered for the purpose of the regulations relating to Value Added Tax and Value Added Tax is not included within and not payable on the purchase price.

### 2 Deposit and payment

On the signing of this Agreement & satisfactory inspection of the vessel by proxy on 19<sup>th</sup> August, a deposit of US\$9,900 is to be paid by the Purchaser to the Broker as Stakeholders.

The balance of the purchase price shall be payable in accordance with Clause 7 hereof.

(NOTE: This Agreement shall not be deemed to have been fulfilled until such payment is cleared into the payee's account whereupon completion shall be deemed to have taken place providing all other documentation has been completed).

### 3 Warranties

The Vendor is selling in the course of a business, and the usual statutory warranties therefore apply

### 4 Inspection and/or survey and subsequent use of the vessel

The Purchaser may at a venue to be agreed, and at his own cost, haul, or place ashore or afloat and/or open up the Vessel and its machinery for the purpose of inspection and/or survey which, including any written report, shall be completed on or before 15<sup>th</sup> November 2006. In the event that any inspection requires more than superficial non-destructive dismantling and limited removal of anti-fouling the consent of the Vendor must be obtained before work commences. The Vendor agrees not to use the vessel after completion of the inspection/survey unless requested by, or with permission of, the Purchaser. If the vessel is not accepted under the terms of the Agreement and the contract be rescinded and become null and void the Vendor may thereafter use the vessel.

### 5 Defects

Within 14 days after completion of such inspection and/or survey if any material defect or defects in the vessel or its machinery, other than those disclosed to the Purchaser in writing, prior to signing this agreement shall have been found or if any material deficiencies have been found in any inventory hereto the Purchaser may give notice to the Vendor or the Broker specifying such material defects or deficiencies including a copy of the relevant extracts of the survey report, either:

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Vendor's initials

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Purchaser's initials

- (a) giving notice to the Vendor or the Broker of his rejection of the Vessel, or
  - (b) requiring the Vendor forthwith either to make good the recommendations of the Purchaser's Surveyor and to his satisfaction, or make a sufficient reduction in the purchase price to enable the Purchaser to make good the same. All agreed items of work shall be completed without undue delay in all the circumstances and shall be carried out so as to satisfy the expressly specified requirements of the Purchaser's Surveyor in respect only of material defects mentioned in his report and notified to the Vendor.
- If
- (a) the Purchaser shall serve a notice under Clause 5(a) hereof, or
  - (b) the Purchaser shall serve notice under Clause 5(b) hereof, and
    - i. the Vendor shall not within 21 days after service of the notice have agreed to make good without delay any material defects or deficiencies specified in such notice or,
    - ii. the parties shall not have agreed within 14 days after service of the notice upon the amount by which the purchase price is to be reduced then this Agreement shall be rescinded and any deposit paid shall be refunded in accordance with Clause 8 hereof.

In the case of any deficiencies in the vessel's inventory (if any) remaining or arising within 7 days of acceptance in accordance with Clause 6 hereof the deficiencies shall be made good or a reduction in purchase price shall be agreed failing which this Agreement shall be rescinded at the option of the Purchaser only.

## 6 Acceptance

The vessel shall be deemed to have been accepted by the Purchaser upon the happening of any of the following events:

- (a) Upon specific acceptance.
- (b) Upon 15<sup>th</sup> November 2006 providing that no inspection or survey has commenced.
- (c) 14 days after completion of the survey provided that the Purchaser has not served notice under Clause 5(b) hereof.
- (d) Upon notification in writing by the Vendor or his Broker to the Purchaser of completion of the remedial works specified in a notice given to the Purchaser under the provision of Clause 5(b) hereof.
- (e) Upon a mutual agreement on a reduction in the purchase price in accordance with the provision of Clause 5(b) hereof.

## 7 Completion

Upon acceptance of the vessel by the Purchaser, the deposit shall be treated as part payment of the purchase price and within 10 days of acceptance:-

- (i) **The Vendor shall**
  - (a) **in the case of a Registered vessel** provide the Brokers with the Certificate of Registry, correct and updated, together with any other documents appertaining to the vessel and shall execute a Bill of Sale in favour of the Purchaser or his nominee, showing the vessel to be free from encumbrances and in such form as to ensure transfer on the Register. Should the Purchaser so require, the Vendor shall provide the Broker with a Deletion Certificate, or sufficient instructions to cancel the existing registry and enable the vessel to be re-registered by the Purchaser.
  - or **in the case of an unregistered vessel** or vessel registered on the Small Ships Register, provide the Brokers with an executed Bill of Sale in favour of the Purchaser or his nominee showing the vessel to be free from encumbrances and such other title documents as are set out in the schedule to this Agreement, together with any other documents appertaining to the vessel.
  - (b) Deliver to the Brokers a Value Added Tax invoice, if applicable, and any necessary delivery order or other authority enabling the Purchaser to take immediate possession of the vessel.
  - (c) By delivery of documents in (a) and (b) of this Clause, be deemed to covenant that he has the power to transfer property in the vessel and that the same is free from encumbrances, duties, taxes, debts, liens and the like as are the responsibility of the Purchaser under Clauses 4 and 8 hereof.
- (ii) **The Purchaser shall** tender the balance of the purchase price to the Brokers who on receipt of the balance of the purchase price will hold the documents referred to in this Clause to the order of the Purchaser. Note: This Agreement shall not be deemed to have been fulfilled until such payment is cleared into the payee's account, whereupon providing all other documentation has been completed, Completion shall be deemed to have taken place.

## 8 Rescission

In the event of rescission by the Purchaser under the terms of this Agreement he shall, at his own expenses, reinstate the vessel to the condition and position in which he found it and shall pay all boatyard and Surveyor's charges for this work. The Vendor shall thereupon return or procure the return of the deposit to the Purchaser without deduction and without interest save that he or his Brokers shall be entitled to retain such part of the deposit as shall be necessary to defray any boatyard or Surveyor's charges not paid by the Purchaser. Neither party shall thereafter have any claim against the other under this Agreement.

## 9 Risk

Until the vessel has been accepted or shall be deemed to have been accepted by the Purchaser she shall be at the risk of the Vendor who shall make good all damage sustained by her before the date of completion. If the vessel be lost or become a constructive total loss before such acceptance this Agreement shall be null and void except that the Purchaser will be liable for the cost of all work authorised by him under Clauses 4 and 8 and undertaken before such loss took place and the deposit shall be returned to the Purchaser without interest but less any deduction made under Clauses 4 and 8 and otherwise without deduction and the Purchaser shall have no claim against the Vendor for damages or otherwise. After acceptance the vessel shall in all respects be at the risk of the Purchaser notwithstanding that the ownership of an unregistered vessel shall not pass

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Vendor's initials

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Purchaser's initials

to the Purchaser until payment of the full purchase price in accordance with Clause 7 hereof even though the Purchaser has insured his risks under the provisions of this Clause. The Vendor should continue his own insurance until such time as he shall receive the proceeds of the sale from the Broker.

#### 10 Default

- (a) Should the Purchaser make default in paying the balance of the purchase price as herein before stipulated, the Vendor shall be at liberty to give notice in writing to the Purchaser requiring him to complete the purchase within 14 days of service of the notice. If the Purchaser shall not comply with the said notice then the Vendor shall be at liberty to re-sell the vessel either by Public Auction or by Private Treaty and any part payment shall be forfeit to the Vendor without prejudice to his right to claim from the Purchaser the amount of any loss on re-sale together with all his reasonable costs and expenses due allowance being made for the forfeit of the part-payment. On expiry of the said notice the vessel shall be at the Vendor's risk.
- (b) If the Vendor shall default in the execution of his part of this Contract the Purchaser shall without prejudice to any other right he may have hereunder be entitled to the return of his part payment.

#### 11 Brokers charges

The Brokers charges shall be paid by the Vendor and shall become due when the Purchaser shall have accepted or be deemed to have accepted the vessel and may be retained by the Brokers out of the part payment.

#### 12 Notices

All communications relating to this Agreement shall be in writing and in English and delivered by hand or sent by pre-paid (airmail) post or facsimile to the party concerned at the relevant address shown at the start of this Agreement (or such other address as may be notified from time to time in accordance with this Clause by relevant party to the other party). Any such communication shall take effect if delivered, upon delivery, if posted, at 10.00 am on the fifth business day after posting or if sent by facsimile, when a complete and legible copy of the communication, whether that sent by facsimile or hard copy sent by post of delivered by hand, has been received at the appropriate address. In proving postage, it shall be sufficient to show that the envelope containing the notice, duly addressed and pre-paid, was delivered to the appropriate post office

#### 13 Jurisdiction

- (a) This Agreement shall be construed according to and governed by the law of England (or of Scotland if the Vendor's address shall be in that Country) and the parties hereby submit to the jurisdiction of the Courts of the same countries.
- (b) The construction of this Agreement is not to be affected by any Note as used in text or clause title
- (c) Subject always to the Statutory Rights of the parties, this Agreement forms the entire agreement between the parties unless otherwise specifically agreed in writing between them.
- (d) Reference to any Statutory Provision includes a reference to that Provision as amended, extended or re-enacted and to any statutory replacements thereof (either before or after the date of this Agreement).

#### 14 Seatrial (optional clause)

Completion of this Agreement shall be subject to a satisfactory seatrial to be carried out prior to survey, or at such other time and terms as are mutually agreeable to both Vendor and Purchaser and provided that such seatrial shall only operate so as to permit rejection of the vessel:-

- (a) On grounds of Performance, Handling or Seaworthiness; or
- (b) On grounds of matters which would not reasonably become apparent on inspection, which the Purchaser is free to carry out prior to the seatrial.

If, following the seatrial, the Purchaser wishes to reject the vessel, he shall within 48 hours from completion of such seatrial notify the Vendor or the Vendor's Broker in writing of the grounds on which he wishes to reject the vessel and the Agreement shall be rescinded.

**Schedules** attached hereto and forming part hereof:-

1. Clause 7(i)(a) Title Documents to be handed over  
French registration document to be transferred into owner's name or cancelled upon request.  
Acte de Vente signed by both parties indication transfer of ownership & authorised by French authorities.
2. Clause 1 Inventory attached.

**SIGNATURE OF VENDOR**

*WITNESS Signature*

*Print Name*

*Address*

*Occupation*

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Vendor's initials

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Purchaser's initials

**SIGNATURE OF PURCHASER**

**WITNESS signature**

*Print Name*

*Occupation Engineering Management Consultant*

**DATED 05 August 2006**

2 witnesses to each signatory are required in Scotland and only 1 witness is required elsewhere in the United Kingdom.

**Signature of Sunsail Broker**

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Vendor's initials

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Purchaser's initials