

PURCHASE AGREEMENT

BROKER'S SALESPERSON: DATE OF OFFER:

THIS AGREEMENT is effective as of the date of Seller's Acceptance by and between:

SELLER(S):
 Address: Work Phone:
 E-mail: Cell Phone:
 Fax: Home Phone:

BUYER(S):
 Address: Work Phone:
 E-mail: Cell Phone:
 Fax: Home Phone:

1. Vessel. Buyer offers to purchase all right, title and interest in and to the following vessel, together with all of its gear, machinery, equipment, furnishings, boats, appurtenances and other articles (except personal effects), aboard and ashore, including, without limitation, all items set forth in any specifications, list or inventory attached hereto (collectively, the "Vessel"), subject to the terms and conditions of this Purchase Agreement (hereinafter, this "Agreement"):

Name of Vessel: Hull ID Number:
 Year: Make, Type, and Length: ft.
 Registration No. or Official No.: Flag or Reg. State:
 Home Port (Documented Vessel): NVDC Hailing Port:
 Dinghy: SR# Trailer: SR#

2. Price. The purchase price for the Vessel shall be US\$ (gross) cash ()
). Buyer has given a totaling
 US\$ () as a "Deposit" to the Broker
 identified on the top of this form (hereinafter, "Broker") to be deposited in Broker's Trust Account upon acceptance of
 this Agreement by the Seller, and held subject to the terms and conditions of this Agreement following Seller's
 Acceptance of this Offer.

3. Duration of Offer. When Buyer's Offer is signed by Buyer, and delivered to Broker, it is an offer to purchase the
 Vessel on the terms and conditions of this Agreement. Unless Seller signs a copy of this Agreement under Seller's
 Acceptance, and Broker receives the same by courier, facsimile, U.S. Mail, or electronic means on or before 5:00 p.m.
 Pacific Time on , / / Buyer's Offer shall expire and the deposit shall be returned to Buyer.

Buyer's Initials: _____

4. Contingencies. The sale of the Vessel may be subject to the following additional requirements that must be met to Buyer's satisfaction. (Check the box adjacent to each Contingency required by Buyer. Contingencies not so marked are not applicable to Buyer's offer). Unless Buyer executes the Final Acceptance of Vessel provided at the end of this Agreement within the time period specified below, the Vessel shall be DEEMED REJECTED by the Buyer, whereupon Broker shall return the balance of the deposit to Buyer, after payment of any costs Buyer has authorized.

Financing _____ Buyer's initials to indicate satisfaction of financing contingency
(Any financing contingency must be satisfied before proceeding with any trial run or survey.)

Trial Run _____ Buyer's initials to indicate satisfaction of trial run.

Marine Survey Mechanical Inspection Rig Survey

Other (specify):

FINAL ACCEPTANCE OF VESSEL BY THE BUYER must be executed on or before 5:00 p.m. Pacific Time, on the date that is _____ calendar days after the date of the Seller's acceptance of this Agreement (as indicated on this Agreement form or on any applicable Counter Offer).

5. Payment of Balance. The balance of the purchase price shall be paid to Broker, by wire transfer or cashier's check payable to Broker's Trust Account, within _____ calendar days after the Broker receives a copy of this Agreement signed by Buyer under the Buyer's Final Acceptance section at the end of this Agreement. All funds must clear Broker's Trust Account prior to disbursement by Broker of any funds.

6. Delivery of Vessel. The Vessel shall be delivered to Buyer at this location:

Seller shall cause the Vessel to be delivered to Buyer at a place, date and time that is mutually convenient to the Parties, not later than _____ days after both (i) execution of the Final Acceptance of Vessel provided at the end of this Agreement; and (ii) the payment of the balance and clearing of funds in Broker's Trust Account as provided in Paragraph 5 herein. Delivery shall be performed at Seller's sole risk and expense. If anyone other than Seller delivers the Vessel, such person shall act solely as agent of Seller, and shall be selected, hired, instructed and paid by or on behalf of Seller alone. Buyer shall not have care, custody, or control of the Vessel until Buyer accepts the Vessel at the delivery location. Seller covenants, represents, and warrants that upon delivery the Vessel shall be in substantially the same condition as on the date of Buyer's Offer, except for agreed survey items and ordinary wear and tear. Buyer and Seller, each upon the request of the other, shall execute and deliver appropriate documentation evidencing delivery. Unless otherwise provided, Buyer shall be deemed to accept delivery of the Vessel upon Buyer's execution of a Buyer's Final Statement or Closing Statement.

7. Boarding, Trial Run, Survey, and Haulout. If so indicated in paragraph 4, Buyer's Offer is contingent upon and subject to trial run and/or survey. For such trial run and/or survey, Buyer and Seller shall agree to a mutually convenient date, time and place for trial run and survey of the Vessel, which Seller hereby authorizes. Seller shall be deemed to have exclusive care, custody and control of the Vessel during boarding, trial run, survey and haul out, and all operations of the Vessel shall be at Seller's sole risk and expense. All surveyors shall be deemed selected, employed and instructed solely by Buyer.

Buyer's Initials: _____



Seller's Initials: _____

Buyer and Seller authorize Broker to pay survey and haul out costs from Buyer's deposit, all survey reports, photos and related documents remain the sole property of the Buyer, who pays for the reports. At his discretion he may authorize the release of a copy to the Broker and any cooperating broker at Buyer's expense. All surveys shall be non-destructive in nature. Any damage which is determined to have been caused by the Buyer and/or Buyer's agent(s), shall be the financial responsibility of the Buyer. Buyer hereby authorizes Broker to pay for any such repairs from Buyer's Deposit, and Buyer and Seller shall each indemnify and hold Broker harmless from and against any claim or dispute relating to or arising from any such payment, repairs, or exercise of discretion.

Subject to the terms and conditions of this agreement, and except as otherwise provided herein, Buyer and Seller shall release, defend, hold harmless and indemnify each other, the vessel, Broker, any cooperating broker, and their salespersons and employees, of and from any and all disputes, actions, claims, demands, liabilities, judgments, and attorneys fees, which arise directly or indirectly from boarding, trial run, survey, and/or haul out of the vessel, howsoever caused, including, without limitation, those due to the negligence, fault or other act or omission of Broker, any cooperating broker, or of any employee, salesperson, agent, surveyor, or contractor of any of them. Broker, any cooperating broker, and their salespersons and employees, shall not be obligated to inspect, board, trial run, survey, or haul out the Vessel, or to verify, interpret, or report any facts with respect to the Vessel, nor shall they be liable for any errors or omissions related thereto, whether or not they were negligent or otherwise at fault, or in any way involved in those activities.

8. Vessel Information. Seller believes in good faith that all information Seller has provided about the Vessel is true and correct as of the date of Seller's Acceptance. Notwithstanding the foregoing, Seller, Broker, any cooperating broker, and/or their employees or salespersons, do not represent, warrant, or guarantee the truth, completeness or accuracy of any information or documentation concerning the Vessel. They strongly recommend that Buyer, his agents and surveyors, examine the Vessel and verify its condition, description, inventory, and all matters considered relevant, in order to ensure that they are completely acceptable to Buyer.

9. Title. Seller shall furnish Buyer title to and possession of the Vessel free and clear of any and all claims, liens and encumbrances of any kind. Seller shall promptly discharge, and Broker is authorized and instructed to pay out of the purchase price funds, any and all commissions, liens, mortgages, taxes (including, without limitation, any personal property taxes and penalties Seller has agreed to pay under Paragraph 10 of this Agreement), assessments and bills of every kind incurred against the Vessel before transfer of title, except those which Buyer has agreed in writing to pay. Transfer of title to the Vessel shall be deemed to occur at the place, date and time of delivery of the Vessel to Buyer, and Seller shall bear all risk of loss of or damage to the Vessel until such delivery, unless otherwise agreed in writing. Seller shall become obligated to transfer title to Buyer when (i) Broker has timely received an original or copy of this Agreement duly executed by Buyer and Seller, (ii) Broker has received as agreed all amounts in cleared United States funds, including the full purchase price and any other amounts due, (iii) Broker is in a position to deliver said funds to Seller, less brokerage fees and other applicable fees, taxes and charges, and (iv) any relevant conditions or contingencies set forth in this Agreement have been satisfied or waived.

10. Taxes. Buyer shall timely pay any sales tax, use tax, other transaction tax, fee or duty that may be imposed on this transaction. Personal property tax on the Vessel shall be paid as follows (check one):

Seller shall pay in full any and all personal property tax and penalties, except tax for the most recently assessed year, which shall be prorated so that Seller shall pay the portion from the January 1st of such year up until, but not including, the date Seller transfers title to the Vessel to Buyer, and Buyer shall pay the balance. The actual amounts payable by Seller and Buyer are to be stated in Buyer's and Seller's Final Statements, which are by this reference incorporated into this Agreement.

Seller shall pay in full any and all personal property tax and penalties, up to and including the most recently assessed year, and such amounts shall not be prorated.

Buyer's Initials: _____



Seller's Initials: _____

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11. NO WARRANTIES. Except as stated in paragraph 9, the Vessel is sold "AS IS," "WHERE IS," and "WITH ALL FAULTS." neither seller, broker, nor any cooperating broker, nor any of their respective owners, partners, shareholders, officers, directors, brokers, salespersons, employees, representatives, agents, attorneys, or contractors, make any representation or warranty, either express or implied, pertaining to the vessel, its condition, description, merchantability or fitness for a particular purpose, and all such representations and warranties are disclaimed .

12. Breach.

a. By Buyer. If the purchase and sale of the Vessel is not completed because Buyer has materially breached this Agreement, Buyer's deposit shall be retained as liquidated damages. The parties acknowledge and agree that it would be impracticable or extremely difficult to fix Seller's actual damages, and that said deposit is a reasonable sum, considering all the circumstances existing at the time of making this Agreement, including the relationship of the sum to the range of harm that reasonably could be anticipated, and the anticipation that proof of actual damages could be costly or inconvenient. In the event of such a breach Broker shall apply said deposit as follows: First, to the actual expenses and costs incurred or paid by Broker in attempting to complete the transaction (including, without limitation, costs of advertising, communications, travel, legal costs, and similar out-of-pocket items); second, to any unpaid expenses and costs incurred by Buyer against the Vessel (including, without limitation, any unpaid costs of haul out, surveys and work performed); and third, if any balance remains, to Broker and Seller, in equal amounts. If Buyer has made no such deposit, or if said deposit is insufficient to cover the expenses and costs described first and second above, Buyer shall immediately pay Broker the amount of the shortfall, and Broker shall allocate said funds accordingly.

b. By Seller. If the purchase and sale of the Vessel is not completed because Seller has materially breached this Agreement, Seller shall promptly reimburse Buyer for Buyer's reasonable expenses, including, without limitation, costs of haul out, surveys and any work performed, together with any and all other losses to Buyer directly resulting from such breach that were reasonably foreseeable to Seller at the time of Seller's Acceptance. Seller shall also be liable to Broker and any cooperating broker for the full amount of their commissions and any advances made on behalf of Seller. Seller grants Broker and any cooperating broker a possessory lien on the Vessel for their commissions and any advances, as well as a security interest enforceable under state law, and, if the Vessel is federally documented, a preferred mortgage under Chapter 313 of Title 46 of the United States Code, for such amounts. Seller irrevocably appoints Broker as Seller's attorney-in-fact for the purpose of executing, recording, perfecting, and enforcing such security interest or preferred mortgage. A copy of this Agreement may be provided to any appropriate governmental body to enforce these interests.

13. ARBITRATION OF DISPUTES. Any Dispute, Claim or Controversy arising out of or relating to this Agreement, or the invalidity, interpretation, performance or breach thereof, directly or indirectly, shall be decided by binding arbitration under the Rules of the California Yacht Brokers Association, or of the Maritime Arbitration Association of the United States, pursuant to the rules that are in effect for such organizations on the date arbitration is requested. The arbitral organization where arbitration is first commenced shall administer all arbitral proceedings covered by this agreement. If any provision of this Agreement conflicts with such Rules, this Agreement shall control. Buyer and Seller agree to give up any rights they might possess to have the dispute litigated in a court or jury trial, and their judicial rights to discovery and appeal. If either party refuses to submit to arbitration, such party may be compelled to arbitrate under law. Arbitration shall be conducted in the county of Broker's Place of business handling this transaction. The prevailing party may be awarded attorneys' fees and costs of arbitration. Judgment may be entered upon the arbitration award and enforced in any court having jurisdiction thereof.

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14. **Broker Not Required to Determine Controversies.** In the event of any dispute, claim or controversy involving the Vessel, Seller, Buyer, Broker, any cooperating broker, or any salesperson or employee, relating directly or indirectly to this transaction, Broker shall not be required to resolve the matter, or to take any action, but may await resolution of the matter by others. Buyer and Seller authorize Broker, at its sole option, to interplead funds, to hold funds until the completion of proceedings, or disburse funds as Broker in good faith sees fit.

15. **Attorney's Fees.** In any action, proceeding, or arbitration between Buyer and Seller arising from or relating to this Agreement, or the invalidity, interpretation, performance, or breach thereof, the prevailing party shall be entitled to an award of reasonable attorney's fees and costs. If Broker is a prevailing party in any action or proceeding arising out of or relating to this Agreement, or if Broker brings an interpleader action, or if Broker provides assistance in any dispute, Broker shall be entitled to an award, judgment or payment including Broker's attorneys' fees and costs. Buyer and Seller authorize Broker to deduct such attorneys' fees and costs from the funds in any interpleader action, and from the funds of any person against whom Broker has prevailed.

16. **Governing Law.** This Agreement shall be deemed executed in the State of California. The validity, interpretation and performance of this Agreement shall be controlled by and construed under the laws of the State of California, without regard to its conflicts of law provisions. In the event that any provision herein in any way contravenes the laws of the State of California, or of any other state or jurisdiction, that provision shall be deemed not to be part of this Agreement in such state or jurisdiction, but the remaining provisions shall remain in full force and effect. The remedies provided for breach of this Agreement shall be in addition to all remedies otherwise available under law, not to the exclusion of them.

17. **Completeness of Instrument.** This written Agreement, and any attachments hereto, contain all of the agreements, understandings, promises, covenants, commitments, representations, terms, conditions and warranties made by or between the parties hereto with respect to the subject matter hereof. This Agreement terminates and supersedes any and all prior agreements, promises, covenants, commitments, representations, terms, conditions, warranties, discussions and negotiations, if any. The parties acknowledge and agree that they enter into this Agreement solely in reliance upon the representations expressly stated herein. Any and all modifications and amendments to this Agreement must be in writing and signed by the party against whom enforcement is sought. This Agreement shall be deemed drafted by both parties, and shall not be construed against either party, or against Broker or anyone else.

18. **Captions, Joint and Several Liability.** The captions heading the various paragraphs of this Agreement are for convenience only and shall not be considered to limit, expand or define the content of the respective paragraphs. If any party consists of more than one person, each such person shall be jointly severally liable under this Agreement. References to the singular include the plural, and to one gender include another, as appropriate.

19. **No Representation Regarding Legal Effect of this Agreement.** No promise, representation, warranty or recommendation is made by Buyer, Seller, Broker, the California Yacht Brokers Association, or their salespersons, employees, representatives, or attorneys, regarding the legal sufficiency, legal effect, or tax consequences of this Agreement, or of the underlying transaction. Buyer, Seller and Broker are encouraged to consult their own attorneys and tax advisors for legal and tax advice regarding this Agreement and the underlying transaction.

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20. Notification. Any and all notices and demands under this Agreement shall be given in writing and delivered to all parties and to the Broker by courier, fax, e-mail or United States Mail, postage prepaid. Notice shall be considered given only when actually received. Notices shall be addressed as appears above for each party, or pursuant to any written notice of a change of name, address, facsimile, or e-mail.

21. Time is of the Essence. Time is of the essence of this Agreement, and failure to comply with this provision shall be a material breach of this Agreement.

22. Assignment. Neither this Agreement nor any right or interest hereunder may be assigned by Buyer without the written consent of Seller. Seller may assign this Agreement within the Seller's sole discretion.

23. Parties Bound and Benefited by Agreement. This Agreement is binding upon and inures to the benefit of Buyer, Seller, the Vessel, their executors, heirs, administrators, successors and permitted assigns (collectively, the "Parties"). Broker, any cooperating broker, and their respective owners, partners, joint venturers, shareholders, directors, officers, employees, brokers, salespersons, representatives, attorneys, contractors, agents, customers, and any of their, Buyer's or Seller's guests, passengers, surveyors, repair yards, marinas, and contractors (the "Third Parties") are not parties to this Agreement. Nonetheless, any of the Third Parties may elect to have any dispute, claim or controversy that involves such party and that is related to or arises from this Agreement, or to any service related to this Agreement, decided by binding arbitration under this Agreement. If any of the Third Parties does not agree to arbitrate a claim or controversy involving such party, such matter shall be severed, and any remaining claim or controversy shall be arbitrated.

24. Broker's Status. Except as otherwise expressly stated in this Agreement, Broker is the authorized selling broker in this transaction, and the exclusive agent of: the Buyer the Seller both Buyer and Seller. If Broker acts as agent for both Buyer and Seller, Broker shall not, without the express permission of the respective party, disclose to the other party that Seller will accept a price less than the price accepted, or that Buyer will pay a price greater than the price offered. Buyer and Seller acknowledge and agree that Broker and any cooperating broker in the transaction are the procuring causes of the sale of the Vessel.

25. Authority. Buyer and Seller, and every person signing, initialing, or otherwise authenticating this Agreement on their behalf, covenant, represent and warrant that he, she or it has full authority and ability to execute, deliver and perform this Agreement. If the consent or approval of any spouse, partner, member, board of directors, shareholder, or other person is required for a party, the individual signing this Agreement on behalf of such party covenants, represents and warrants that such consent or approval has been obtained.

26. Execution. This Agreement may be executed in counterparts, each of which when so executed shall be deemed an original, and such counterparts together shall constitute one and the same instrument. Delivery of an original, faxed or e-mailed signature, which may include a handwritten signature, initials or other authentication of a party, shall be sufficient to bind such party to this Agreement. Notwithstanding the provision on this form for Buyer's and Seller's initials at the bottom of each page, this Agreement shall be effective without initialing, provided that the parties have duly executed this Agreement as provided on the final page hereof, or have duly executed any related Counter Offer.

27. Further Acts. The parties shall promptly execute and deliver all documents and do all things necessary and appropriate to effectuate the purposes of this Agreement.

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