



Congratulations on completing the negotiation of your Purchase and Sale Agreement. So now what?

The process can appear to be a little daunting but we try to keep it simple and walk you thru all the steps. Please do not forget that if there is something that you are not sure of then simply **ASK**. We have handled thousands of these types of transactions over the past 2 decades and while many of them have some quirks, the process is generally the same.

1. THE SURVEY AND TRIAL RUN

- The next step after signing your contract is to arrange your Survey and Trial Run Date. This involves you going out on the water with your broker and your chosen surveyor to test the vessel. Just like you would do with a house appraisal, your surveyor will run a series of tests to assess the boat and let you know its overall condition and value.
- Once you have completed the Survey and Trial Run you will have to decide if you accept or reject the vessel. The other option is to try and negotiate to get a reduce price, credit at closing or repairs done. Your broker will advise you on the best course of action and how to best take care of any concerns.

2. THE ACCEPTANCE OF VESSEL (AOV)

Once you have accepted the vessel, Details Details will be coordinating and sending you the closing paperwork. For this to happen you need to hire a documentation agent to handle the registration and title of your vessel.

- We will work with any Documentation Agent of your choice but most of our clients hire ASAP Marine Documentation. Whichever company you choose, you should expect them to send you a quote for their services in advance, so you know what to expect. We ask ASAP to contact a client initially when the vessel goes under contract but again, you are not obligated to use ASAP. **Please confirm to us as soon as you have hired them or someone else** as time is important in the transaction. Once you have confirmed this, we will arrange for the sellers to send them all the title and ownership paperwork for the boat and the dinghy. Many people do not realize that the dinghy is classified as a separate vessel with its own title so we need to ensure you get clean title to the dinghy also. We will coordinate with the documentation agent to be able to take this deal to the finish line.
- Amongst other checks, the documentation agent carry out a lien search on the vessel to ensure you are getting a clean title and will complete the transfer of the ownership title showing the new vessel name and the ownership in your name or the name of your business, whichever you choose.

- Lien and other searches can take time, especially if something is found and needs to be cleared up and it can take from 48hrs to more than 2 weeks. For USCG registered vessels the request has to go through the US Coast Guard. This agency sometimes is pretty backed up and it is a first come, first serve system so, again, the sooner you hire the documentation agent the better the chance you meet the specified closing date in your Purchase and Sale Agreement.

3. DETERMINING ANY TAXES DUE

In order to properly protect you, Details Details needs to know the following details of your plans:

- What are your plans with your vessel?
- Do you plan to depart after closing?
- Are you going to be remaining in Florida waters and if so, for how long?

The reasons for these questions are because we need to establish if you will be doing a non-Florida affidavit which will allow you to avoid paying Florida Sales & Use Tax or if you will be required to pay the Florida Sales Tax. If you are not closing in Florida, we also need to ensure no other sales taxes are due.

4. CLOSING PREPARATION

Once all of these steps have been completed, our accounting department will prepare your Buyer's Statement with the total amount to be sent to the Escrow Account. Please remember that some banks take longer than others to send money so we try to get funds early so we can make sure we close on time. At this time, you will also be sent the Authorization to Close which confirms that the vessel is in the same condition as previously inspected and any other paperwork needed for closing.

Final funds **must** be in escrow at least 24 hours prior to the closing date and the balance needs to be sent via Wire Transfer as personal checks and Cashier's checks can take up to 10 business days to clear so that will delay you from closing on time.

5. THE FINAL CLOSING

For the Final Closing to proceed:

- Your Documentation Agent needs to give us the green light that she has all the paperwork she needs to complete her role, such as an original bill of sale signed by the Seller, original titles and/or any vessel deletion required.
- We will need confirmation that any repairs specified on the Acceptance of Vessel (AOV) have been completed
- All closing paperwork will need to be signed.
- Clear funds must be in our Escrow account.

If all of these have been satisfied, we can proceed with the closing. Unlike the old days, today everything is done by email/FedEx and there is no need for an actual face to face signing event.

Generally our client's Sellers, Buyers and boats are rarely ever in the same place and often they are all in different parts of the world.

6. AFTER CLOSING

We will send you an email announcing that closing has taken place. We will also send you a "Running Package" by email that will allow you to take possession of the boat and prove to anyone who asks that you are the new owner. If you were eligible for the Sales Tax Exemption, one of our employees will personally have to go to the vessel to install the decal after closing has been processed. This is a legal requirement and **must** be done by us. We apologize in advance that it cannot be done by anyone else or by mail and it cannot be done in advance but only after the closing has taken place.

CONGRATULATIONS, we are now officially closed!

And remember, always **ASK** us when you have questions, we are here for you!

Respectfully,

Details Details