HERON CUSTOM MARINE

Vessel Acquisition and Pre-Sale Engagement

Buyer-side and seller-side technical work. $1,000 per quarter plus hourly. We work the boat, not the deal.

This engagement is between:

[LEGAL ENTITY NAME], a [ENTITY TYPE, e.g. California limited liability company], doing business as Heron Custom Marine, at 390 Cordelia, Walnut Creek, CA. Called **"we"**, **"us"**, or **"our"** below.

[CLIENT NAME], at [CLIENT ADDRESS]. Called **"you"** below.

Effective date: [DATE]

Which side you are on

☐ **Buying.** ☐ **Selling.**

The vessel

Year / Make / Model: [ ] **Length:** [ ]

HIN, if known: [ ] **Where it is located:** [ ]

If you are buying and looking at more than one boat, each vessel is its own engagement. We note additional vessels by email and they are covered by these same terms.

1. READ THIS FIRST. WE ARE NOT A BROKER.

California licenses yacht and ship brokers through the Division of Boating and Waterways. A license is required for anyone who, for compensation, sells or offers to sell, buys or offers to buy, solicits or obtains listings of, or negotiates the purchase, sale, or exchange of vessels 16 feet or longer and under 300 gross tons that they do not own.

We are not licensed. Our scope stays entirely outside those activities.

> We are not a licensed yacht broker. We do not locate or list vessels, solicit listings, present or negotiate offers, advise on price or terms, prepare purchase agreements, or handle deposits or funds. Retain a licensed broker or marine attorney for the transaction itself.

You acknowledge that you have read this section and that you are not relying on us for any of the activities it excludes.

We never take custody of deposits, purchase funds, or sale proceeds. Those move between you, your broker, your escrow, or your attorney, and never through us.

2. COMPENSATION IS NEVER CONTINGENT

What you pay us is never contingent on a purchase or a sale closing.

What you pay us is never tied to purchase price or sale price.

We charge a flat engagement fee and we charge for time worked, both at the figures in Section 4, whether a deal closes or falls apart. We take no commission, no percentage, no split, and no share of any transaction.

3. WHAT WE DO

3.1 Buying

- Initial walkthrough and a written condition report covering engine hours, systems, structural and cosmetic observations, and an estimate of deferred maintenance.
- Surveyor and mechanic selection, scheduling, and attendance.
- Sea trial coordination and attendance.
- Records and service history review.
- Haul-out coordination.
- Post-survey punch list with cost estimates.
- Transport, delivery, storage and slip setup, and commissioning.

3.2 Selling

- Records assembly and service history reconstruction.
- A maintenance file.
- A systems condition report you can hand to a buyer.
- A pre-sale punch list with estimates, and coordination of those repairs.
- Detail and presentation prep.
- Attendance during buyer inspections, surveys, and sea trials as your technical representative.

3.3 What our reports are and are not

Our condition report is our observation of the boat on the day we saw it. It is not a marine survey, it is not an appraisal, and it is not a valuation. It carries no opinion on what the boat is worth or what you should pay or accept.

Engage a licensed marine surveyor for a survey. Engage a broker or an attorney for the transaction.

4. ENGAGEMENT FEE, RATE CARD AND BILLING

Engagement fee

A flat fee keeps the engagement open. It is billed at the start of each period.

Charge	Rate
Initial term, 90 days	$1,000
Extension, one further 90 days	$750
New engagement after six months, per quarter	$1,000

The engagement fee is not a credit against hours. It covers the engagement being open: our availability, scheduling, and keeping your file current. Time we actually work bills hourly at the rates below, on top of it.

The fee is flat. It does not move with the price of the boat, it does not depend on a deal closing, and it is not refunded if the period has already begun. That is the point of Section 2.

Hourly rates

These are the same rates we charge for every other service we offer. Nothing changes because the work relates to a purchase or a sale.

Charge	Rate
Standard labor	$195 / hour
Travel, billed portal to portal	$160 / hour
Outside standard hours and on listed holidays	$292 / hour
Minimum per call-out	2 hours

Standard hours

9:00 a.m. to 5:00 p.m., Monday through Friday. Work outside those hours bills at the outside-hours rate.

Listed holidays

Work performed on any of these days bills at the outside-hours rate:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day

How time is counted

- Every call-out carries a two hour minimum.
- Travel bills portal to portal, from our place of business to the vessel and back.
- We bill [BILLING FREQUENCY, e.g. every two weeks] for time worked and costs incurred.
- Invoices are due [PAYMENT TERMS, e.g. net 15 days]. Unpaid balances carry [LATE FEE TERMS].
- The engagement fee for a period is due before that period starts.

5. SPEND AUTHORITY

We can commit up to $1,000 per occurrence on your behalf without asking you first, so a surveyor or a haul-out can be booked while the slot is open. Anything above $1,000 needs your approval in writing before we commit to it.

6. PASS-THROUGH COSTS AND NO MARKUP

Vendor invoices, parts, and materials pass through to you at cost. We add no markup to them. If a yard bills $2,400, you pay $2,400.

The reason is simple. We did not do that work. Someone else did, and you pay them what they charged. What we charge for is our own time, at the rates above.

Our hourly rates are our labor, and they are separate from that. The no-markup promise applies to third party invoices, parts, and materials. It does not apply to our time. Time we spend sourcing a part, meeting a vendor, or supervising work bills at the rates above, on top of the pass-through cost.

We give you the underlying vendor invoice for any pass-through cost you ask about.

7. ON THE DOCK

When we attend an inspection, a survey, or a sea trial on your behalf, we stay inside a narrow lane. This protects you as much as it protects us.

We answer questions on:

- Condition.
- Systems.
- Service history.
- Known defects.

We do not answer questions on price, terms, availability, or anything else about the transaction. Those go to you or to your broker. If the other side puts a transactional question to us on the dock, we say it is not ours to answer and we point them to you.

8. INSURANCE, INDEMNITY, AND LIABILITY

Coverage figures below are placeholders until our carrier confirms them. The rest of this section is drafted and is meant to be reviewed by counsel before either of us signs.

Our insurance

We carry and keep in force, for the whole term:

- Commercial general liability of at least $[LIMIT] per occurrence.
- [MARINE / SHIP REPAIRER'S LEGAL LIABILITY or similar, per carrier] of at least $[LIMIT].
- [WORKERS COMPENSATION, if we have employees, at statutory limits.]

Carrier _____

Policy type and number _____

Coverage limits _____

Your insurance

You carry and keep in force hull and machinery and protection and indemnity coverage on the vessel, at limits no lower than $[LIMIT]. You name us as an additional insured, and your policy waives subrogation against us. Tell us right away if that coverage lapses or is materially reduced. We can suspend work until it is back in place.

Carrier _____

Policy number _____

Coverage limits _____

Mutual indemnity

Each of us covers the other for what we each cause.

We indemnify you against third party claims, losses, and reasonable defense costs to the extent they arise from our own negligence or willful misconduct in performing this agreement.

You indemnify us against third party claims, losses, and reasonable defense costs to the extent they arise from your own negligence or willful misconduct, from your ownership, use, or operation of the vessel, or from the acts or omissions of vendors, contractors, guests, or crew you engage or permit aboard.

Neither of us owes the other indemnity for the other's own fault. Where both of us are at fault, each of us covers our own share.

Vendors are not our work

We recommend, schedule, and supervise vendors. We do not perform their work and we do not warrant it. Vendors are responsible for their own workmanship, their own materials, and their own insurance. We are responsible for how we select and supervise them, not for a vendor's negligence, defective work, delay, or damage to the vessel.

Limitation of liability

Our total liability to you for any and all claims under this agreement is capped at the greater of the fees you paid us in the [CAP PERIOD, e.g. six] months before the event giving rise to the claim, or $[FLOOR AMOUNT].

Neither of us is liable to the other for lost profits, loss of use, loss of charter or resale value, diminution in value, or any other indirect, incidental, special, or consequential damages.

This cap does not apply to fraud, to willful injury to person or property, to violation of law, or to any liability that cannot be limited under California law. California Civil Code section 1668 makes those exclusions unenforceable, and nothing in this agreement tries to reach them.

Insurance comes first. Any claim covered by either of our policies goes to the carriers before either of us looks to the other.

Care of the vessel

We take reasonable care of the vessel, its keys, and its access credentials while we hold them. We are not a bailee for hire of the vessel and we do not take custody of it. The vessel stays in your possession and under your insurance at all times.

9. TERM AND TERMINATION

How long this runs

The initial term is 90 days from the effective date.

We can extend it once, for a further 90 days, at the extension fee in Section 4. The extension has to be agreed in writing before the initial term ends. Email counts as writing.

Six months is the maximum. This engagement does not renew on its own and it does not roll over. At the end of six months it ends, whether or not a boat has been bought or sold.

Continuing past six months

If you want us to keep working past six months, we sign a new engagement. It runs quarter to quarter at the rate in Section 4, and it is a fresh document that both of us sign. Nothing renews automatically, and nothing is charged to you without a signature.

Ending it early

Either of us can end this at any time with written notice.

When it ends, you pay for time worked and costs incurred through that date. The engagement fee for a period that has already started is not refunded. Reports and records we produced for you are yours.

If you are buying and you walk away from the boat, the engagement ends and you owe for the work done. That is the point of Section 2.

10. GENERAL

Independent contractor

We are an independent contractor. We are not your employee, your partner, or your joint venturer.

Notices

To us: [EMAIL]. To you: [OWNER EMAIL]. Either of us can change an address by telling the other in writing.

Governing law

California law governs this agreement. Venue is [COUNTY] County, California.

Entire agreement

This document, plus any signed addendum, is the whole agreement between us for the services it covers. Changes have to be in writing and signed by both of us.

Assignment and severability

Neither of us can assign this agreement without the other agreeing in writing. If a court strikes one part of it, the rest still stands.

SIGNATURES

Both of us have read this engagement, including the broker exclusion in Section 1 and the liability section.

HERON CUSTOM MARINE

Signature _____

Name and title _____

Date _____

OWNER

Signature _____

Name _____

Date _____