

Christian & Company

MARINE SURVEYORS

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MARINE SURVEY AGREEMENT

A form contract for the California Maritime Services Collective

THIS MARINE SURVEY AGREEMENT (“Agreement”) for the marine survey and inspection of a vessel is made by and between the marine surveyor identified above (“Surveyor”) and the following vessel owner or prospective owner (“Client”):

The “CLIENT” Name(s): _____
Address: _____
Phone: _____ Email: _____
Representative’s Name (if Client will be unavailable for survey): _____

Pursuant to the terms of this Agreement, Client hereby retains Surveyor to survey the following “Vessel.”:

Name of Vessel: _____ Reg. or Official Number: _____

Year, Make, Type, and Length: _____

Owner’s Name (if not Client): _____ Vessel Location: _____

1. Client and Surveyor. The individual identified above as “Client” is either the managing owner of the Vessel or a prospective purchaser of the Vessel. If this Agreement is executed by Client’s Representative, Client and Representative shall be liable jointly and severally for the obligations of Client set forth herein. The Surveyor is a marine surveyor experienced in performing condition and valuation surveys and inspections of yachts and small craft. By this Agreement, Client retains Surveyor to inspect the Vessel (the “Marine Survey”).

2. Fee; Maritime Lien. In exchange for the surveying services described in this Agreement, Client shall pay to Surveyor a fee amounting to US\$ _____ (the “Survey Fee”). The Survey Fee must be paid prior to the commencement of the Marine Survey. The services provided by Surveyor are “Necessaries” to the Vessel and are represented by the Client to be authorized by the owner of the Vessel, and as such all unpaid amounts owed to Surveyor pursuant to this Agreement shall be secured by a maritime lien upon the Vessel.

3. Scope of Services.

- a. The Vessel will be examined by Surveyor or Surveyor’s agents from all accessible areas of the interior without removal of secured panels, destructive testing, or disassembly.
- b. The hull bottom laminate, plating, and/or planking will be examined by percussion sounding and visual inspection only. No moisture content readings will be taken and no destructive testing will be performed.
- c. Exterior hardware will be examined for corrosion damage and drive components will be tested by sight only.
- d. Client expressly acknowledges and understands that inspection of engines, generators, machinery and related mechanical systems is not within the scope of this Agreement or the marine survey contemplated hereby. Only a brief cursory inspection of the machinery will be conducted and no opinion of their overall condition will be formed. Client shall retain the services of a qualified mechanic or engine surveyor or other expert to inspect such engines, generators, machinery and related mechanical systems.
- e. Tankage will be inspected from visible surfaces only and no opinion will be rendered as to their overall condition.
- f. On sailing vessels, the rig will not be inspected aloft, nor will sails be inspected unless they are visible during a sea trial. Client shall retain the services of a qualified rig surveyor or other expert to inspect such rigging and equipment.

- g. The electrical system will be visually inspect where accessible, and electronic and electrical components powered only in the presence of the vessel's owner or agent. No in depth testing or examination of the electrical system schematic will be conducted.
- h. Client warrants that the inspection and survey contemplated in this Agreement are authorized by the owner of the Vessel, and that the areas of the Vessel that are to be inspected will be accessible to Surveyor. If, in the sole judgment of Surveyor, inspection of the Vessel is not possible or practical because clutter from personal property, gear, or poor housekeeping render significant areas of the Vessel inaccessible, or because of poor maintenance of the Vessel, or because of the actions of the Client or the Vessel owner, the Marine Survey may, at Surveyor's option, be terminated prior to completion without the preparation of a Survey Report and with no refund or credit of the Survey Fee.
- i. Reported specifications will be taken from published sources. No actual measurements or calculations will be made. The recommendations will be based on federal and state regulations, industry standards, and/or Surveyor's own personal experience. The market value will be based on research of available new/used vessel publications for the geographic area where the vessel is located and for comparable vessels, and it assumes that the recommendations listed in Surveyor's report are completed. Industry statistical information of average selling prices may also be referenced.

5. Release and Limitation of Liability. Surveyor and Client shall each release, defend, hold harmless and indemnify each other and their respective employees and representatives, of and from any and all disputes, actions, claims, demands, liabilities, judgments, and attorneys fees, which are related to or arise directly or indirectly from the services and activities contemplated by this Agreement, howsoever caused, *including, without limitation, those due to the negligence, fault or other act or omission* of Surveyor or Client or of their respective employees and representatives. Without limiting the effect of the foregoing, the maximum liability of Surveyor to Client under any circumstances shall be the amount of the Survey fee.

6. Survey Report. Surveyor shall produce a report (the "Report") of Surveyor's findings after the completion of Surveyor's inspection of the Vessel. Notwithstanding delivery of the Report to Client, the Report shall remain the sole and exclusive property of Surveyor, and distribution of the Report to anyone other than Client's insurers and Client's lenders is strictly prohibited without Surveyor's express written authorization. Notwithstanding any provision in this Agreement to the Contrary, Client expressly agrees to release, defend, hold harmless and indemnify Surveyor and Surveyor's employees and representatives, of and from any and all disputes, actions, claims, demands, liabilities, judgments, and attorneys fees, which are related to or arise directly or indirectly from Client's distribution or sharing of the Report to, or any use of the Report by, any entity, person or persons without such express written authorization by Surveyor.

7. Governing Law; Arbitration of Disputes. The validity, interpretation, and performance of this Agreement shall be controlled by and construed under the laws of the State of California, the state where it is deemed to have been executed. Any dispute, claim or controversy which arises from or is related to this Agreement shall be resolved by binding arbitration, before and pursuant to the Commercial Arbitration Rules of the American Arbitration Association or ADR Services, Inc., to be conducted within the County of Surveyor's business as identified on the first page of this Agreement. This includes any dispute whatsoever or any claim for any act or omission. However, any claim that may be alleged within the jurisdiction of the Small Claims Courts of said County may be brought in such a Court.

8. Counterparts; 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 shall be sufficient to bind such party to this Agreement. Surveyor and Client each acknowledge that they have read and that they fully understand all of the terms and conditions of this Agreement before signing it, and that they have received a copy of this Agreement upon execution by all parties.

CLIENT:

(signature)

(date)

SURVEYOR:

(signature)

(date)