



Technical knowledge is a prerequisite to understand and describe what needs to be conveyed physically and in terms of rights & obligations in this document.



## K-NOTES

# How Maritime Contexts Affect Vessel Sale & Purchase Agreements



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## Special Considerations for Maritime Sale Contracts

### Contracting the Sale and Purchase of Marine Vessels

The analysis that follows shows how these contracts can be drafted with full consideration of maritime law while recognizing the particularities of marine vessels. It also highlights the need to understand the legal contexts behind every transaction and the unique characteristics of the product being bought and sold.



Risk allocation depends on your party and your perspective – that’s just contracting. In some cases, you want to be more ambiguous depending on your party, and in others, you want to be more specific.”

## Key Takeaways

### ➔ Documents Surrounding this Purchase

The documents section, as a condition precedent, requires the obligations of the parties to be listed along with the documents that are associated with the current transaction to provide context to the document at hand.

### ➔ Indemnification removes ambiguity

Maritime claims can go to state courts. In some cases, parties can argue that adjacent state law should fill in the gaps where maritime law is concerned. For example, maritime reinsurance cases and contracts are adjudicated by the adjacent state law rather than federally entrenched precedent.

### ➔ Substantiveness of the Miscellaneous Section

Given the way that courts handle maritime contracts, the decision on jurisdiction, venue, governing law, and notice is going to be what counts. Put thought into where the litigation should happen, what is convenient if it comes to pass, and how the dispute resolution proceedings should happen.

### ➔ “Beyond me” Situation as In-house council

As a maritime attorney, it’s important to understand endorsements and the different kinds of documentation that are required. Without a handle on that, it’s hard to know what’s being bought because, in addition to the floating assets, the rights associated are also documented and endorsed.

