

Fountaine Pajot Commissioning Procedural Guide...

Congratulations on your purchase of a new Fountaine Pajot catamaran! We want to make your new boat experience as pleasurable as possible. In order to facilitate this, certain guidelines need to be followed, especially concerning the commissioning process. This includes the time from just before settlement when we do a final review of how you want your boat set up and equipped, through the make ready and sea-trial process.

As you might imagine, at any given time we need to bring together teams of skilled vendors to supply and install all of the essential elements that will complete your boat. Because there are many boats in line ahead of you and behind you, these people, who will be scheduled by your commissioning manager, need to operate efficiently. Adding last minute items can create serious delays. To ensure the smoothest possible commissioning of your new boat, please review the following guidelines. Most of these issues are not new, they are already included and referenced in your purchase agreement. We just want to review the areas that are sometimes not completely understood. We will ask you to sign this sheet to indicate your understanding of these policies.

1. Your purchase agreement provides for final payment when your boat is Ex-Factory, i.e. completed at the factory. This is when the factory expects to be paid and they will not release the boat without payment in full. If you have arranged financing through us, we will coordinate everything with the bank. From that date, it will take approximately 8 weeks to get your boat to the East Coast. In some cases, depending on the bank, you may have to arrange a letter of credit to cover the time from settlement until the boat arrives in the U.S. We can assist with this if necessary.
2. Normally we arrange for delivery by professional crew, rather than freighter delivery. This saves approximately \$15,000 - 25,000 and we have found that the boats generally arrive in as good or better condition than those delivered by freighter. The delivery crew typically fixes or identifies any small problems that arise during the delivery, which helps ensure fewer problems later on. While there may be some minor wear and tear (mostly on running rigging) and 150 to 250 hours on each engine, we feel that this is a small price to pay given the overall cost savings.
3. Commissioning is defined as all of the make-ready issues for the boat, including installation of locally provided equipment and the final check out and sea-trials with you and our staff. Your local commissioning order should be finalized at least thirty days before your boat arrives, to ensure availability of parts and equipment.
4. From the time your boat arrives, please do not load or store any personal items on the boat, or send items to our office. We have no ability to securely store them. If you need a storage facility, we can put you in touch with facilities in the area. Otherwise, some clients rent a small truck to help out during their final move-aboard phase. From the time your boat arrives, you and/or your insurance policy is ultimately responsible for your boat.
5. After the initial order, any additional items you want to add require written agreement by way of a Change Order, and add the cost to the settlement amount due, to be paid in full at settlement. (We will attempt to meet with you approximately thirty days prior to settlement to review your options so that if you do want to add something, it can be included in the financing (if applicable). Stage of construction or availability restraints may apply making changes or modifications impossible or requiring later scheduling. Any change orders must be paid for prior to work progressing.
6. Just prior to the commencement of commissioning, you will normally have an opportunity to go over your boat with us. Again, if you want changes and they are possible without disrupting the general commissioning schedule—we will issue a change order. You pay for the change at that time, and we will incorporate it as long as our commissioning manager thinks that your commissioning request can be accommodated and that of other boats will not be unduly delayed.
7. While your boat is being commissioned, you should communicate directly with the commissioning manager and not with the vendors or suppliers that we use. We can not allow any other outside vendors to do work during the time that our commissioning is taking place. There are serious insurance and other issues that could end up costing you more and greatly delaying the time when your boat might be ready. If, during the commissioning process, you want to add something, and our commissioning manager cannot accommodate you during the scheduled time of commissioning, we can issue a work order for completion as time, equipment availability and scheduling allows.
8. At handover, any warranty items or other deficiencies will be noted by you and the commissioning manager. BYA will make best efforts to promptly resolve the items and/or file warranty claims on your behalf. After handover, please be ready to remove your boat promptly upon completion of your check out, unless other arrangements have been made (in writing), such as relocation to our Lets Go Cruising fleet. Once you remove your boat from BYA, you are accepting it as-is, with any existing deficiencies or warranty issues expressly noted. If there are other warranty issues that arise after check out, please carefully follow the warranty procedures or use our warranty form at: www.bayacht.com/warranty.htm. We are not responsible for any expenses incurred without prior warranty authorization. We will be there to help you anywhere, anytime for either factory or locally supplied equipment as long as you follow the required guidelines and mandated procedure.
9. We will provide you with all of the supporting manuals and documentation provided to us by the respective manufacturers. It is not necessarily within the scope of our commissioning work to provide schematics and/or documentation on any custom work or locally installed equipment or on every piece of equipment. If further documentation is desired, the owner is responsible to obtain it at his cost but BYA will extend every reasonable effort to assist him.

I certify that I have read and understand the commissioning and warranty guidelines set forth above and have received copies of relevant factory warranty information. _____ Date: _____

Fountaine Pajot Procedural Guide...

1. Your order

What you should expect after your order is in.

Most everything will be set up in advance. You'll have firm, guaranteed prices for everything, including work that will be done after the boat gets here.

Our team will be here to help you (as they have been since 1972). Mark, your project manager, will be assigned to your boat. He will coordinate the different vendors, answer your questions, control the commissioning process and ultimately, familiarize you with your boat and it's systems. He will review all of the [custom choices](http://www.bayacht.com/custom.htm) (www.bayacht.com/custom.htm) that you have. Later, if you have a warranty issue, all you need do is call him and he'll take care of it--no matter where you, or your boat is.



Kris Vereen, left, will coordinate every aspect of your paperwork. From helping with the financing and settlement, to insuring that all of the paperwork is in order. If you decide to make a change to your order, she'll be your point of contact. If you have any questions, and you cannot reach your personally assigned sales associate for any reason--just call Kris. 410-263-2311. Note: The payment schedule with Fountaine Pajot will be covered in the Purchase agreement. Please pay careful attention to this and discuss your options with your sales associate or Kris at the time of your order—this is your responsibility.



Our service manager for LetsGoCruising who will help you with anything concerning your boats service or warranty and interface with Mark and Chris, is Jim Martin, right.

For more details, see our Q&A section.



2. Support from BYA

Support: Before, during and after.

Before you make your first choice, you will be knowledgeable about the process, have your financing lined up, and have several layers of expertise to consult should questions arise. There will be no hidden costs or surprises. We will give you all of the pricing information up front.



While your boat is on order, we will be there to answer questions or accommodate any changes that you decide to make. If you want to visit the factory, or try one of our charter boats in the interim, we'll arrange everything.

After the sale, we'll receive the boat (generally from a delivery crew) and commission it. We make all the arrangements with customs, take care of duty, and get the crew checked in and back out again. Then we're there to familiarize you with your boat. We offer sailing courses for wives and for you if needed--we'll get you comfortable.

If you elect to have us commission your boat locally, we do all of the commissioning here, so you have one source to turn to if you have a warranty issue. With most dealers, you get sent to the vendor.

Your project management team will handle any after sales service. In addition, because we have affiliated management companies in all of the most popular sailing destinations on the East Coast and in the Caribbean, you have a friend at any of our bases. They generally have parts, are factory authorized and can even arrange to take care of your boat at their location should you need to leave it for a few days, weeks or longer.

If you are receiving your boat at some other facility, or commissioning it yourself, see Addendum (A)

3. More on commissioning

Getting it done right.

Commissioning a boat, when done properly can be an exciting and fun time. you elect to have BYA do the local U.S. commissioning, This following procedure required to be followed exactly, with no variations--as stated in your agreement with us.



1 After your original order, we will meet with you at least once again before the commissioning commences. You will get your questions answered in detail, and then be given an opportunity to add items to the commissioning order. (Note: If you do this at least one month prior to the settlement on your boat, we may be able to incorporate these additional items in the financing.)

2 If you are putting your boat into our management program with LGC on the Chesapeake:



As soon as possible after confirming your order (normally with the confirmation) we will send you a link to the management agreement. Please download, print and sign this and return that to Kris at BYA. We cannot start marketing your boat, or put it on the Web until we receive that signed agreement back.

On the same link, you will find a copy of the Sales Associate agreement. Download, print, sign and return that also. You will note that on this page, you can immediately start sending referrals, and there are various, helpful white papers that you can use.

3 At settlement, you will arrange payment in full per your agreement and we will coordinate appropriate paperwork with you and/or your bank. If any additional work is requested, a change order will be created and payment for this will also be required at this time. You should also arrange to have your

insurance in place at this time. (The bank will require this—normally a binder number and contact information is sufficient for the bank.) Any funds paid at this time must be in the form of cleared funds as we will be transferring full title to the boat to you at this time. This is the point at which you take over full ownership and responsibility for your boat. It is subject to various maritime and local laws and it is your

responsibility to insure that you meet all legal requirements required at this time.

3. Typically, our commissioning project manager coordinates all vendors, including coordinating certain commissioning requirements at the factory commissioning yard. This includes installing any required through hulls and the changing of the drive oil (Now done from inside the boats, previously, the older engines required hauling and draining for this). He meets with the delivery crew when the boat arrives and the boat is preliminarily checked. There are checks for damage, the through hulls are checked, engines and fluids checked. A diver is employed to do an underwater check also. We take care of the delivery paperwork, including the paying of required duty and

import fees. Our delivery manager also supplies the required C.G. and safety equipment, as well as dock lines, fenders and other required mooring equipment in order to handle the receipt of the boat—all of this service is included in your commissioning package if that is included in your purchase agreement.

Keep in mind, as stated in this document, your Yacht has just completed a trans-Atlantic delivery. There is going to be some wear and tear, including on running rigging--this is normal and to be expected. Remember, you saved approximately half the price over freighter delivery and, as often as not, we see boats arrive in better shape after an ocean delivery because the crew typically takes care of a lot of small adjustments and makes a note of items needing attention and you don't have the smoke and dirt residues or the scrapes and scuffs from the typical, freighter deck handling.

4. The commissioning charge includes dockage during the time of commissioning, and any moving around of the boat necessary to give various vendors access to what they need.

Of course, you may inspect your boat also, once it arrives and we will advise you of the schedule. Any corrections needed will be noted on a separate report to be turned in to Fountaine Pajot to notify them of any pending issues. Included in your commissioning is free dockage at our facility until the final check out. This requires that no additional work be committed for during the time that commissioning takes place—see (7). If there are any questions that we have for you regarding the placement of specific equipment or the like, we will discuss this with you prior to the start of commissioning.

We strongly advise you not to place any personal items on board until the entire commissioning process is complete. We will not be responsible for personal items. Please understand that there may be a number of different vendors on the boat at different times. The boat will be kept locked when they are not on the boat. While every effort is made to keep the boat secure during this time, it is your insurance that will cover any loss or damage, including the normal marine risks associated with boat ownership. I can report to you that in 32 years of doing business, we have never had items stolen from a boat during the commissioning process.

5. Responsibilities of the owner during commissioning:

- a. Once commissioning commences, no other work may be contracted for or done on the boat by the owner or any other vendor that he contracts until our agreed commissioning is 100% complete (with any noted exceptions) and signed off for by the owner.
- b. The boat may not be boarded, or moved without specific authorization of the project manager—by anyone. This policy is in place to insure that there are no grey areas at the end of the commissioning process and that we can hold our project manager and his vendors 100% responsible for all work and issues that arise as a result of commissioning. Also, these agents are fully bonded and insured and approved by Fountaine Pajot so that there is no compromise of the warranty or the final check out when work is accomplished by them.



- c. After the commissioning is complete, and you have signed off on it, you may arrange work with any vendor that you wish to do additional work. We do advise that you discuss this with our project manager to make sure that there is no conflict with the Fountaine Pajot warranty as a result of a particular vendor working on the boat or as a result of his installations.
6. At the conclusion of the commissioning process.
- a. Our project manager will review the check sheet with you to insure that all work has been accomplished satisfactorily. He will then conduct a sea-trial which will include demonstrating the proper operation of all equipment and accessories whether installed by the manufacturer, or BYA.
 - b. Additionally, your BYA broker will be available to answer questions, and go out with you another time for further familiarization.
 - c. Our services should not be construed as training or teaching. We assume that the owner or his agents are generally familiar with the general type of equipment having been installed. If not, it is the owner's responsibility to arrange for proper instruction or lessons beyond the normal familiarization process.
 - d. At the conclusion of the sea-trials, the owner will sign off on a check sheet presented by the project manager, with any exceptions or corrections noted. BYA will either reimburse the owner for any work not accomplished, and/or correct any outstanding conditions per the normal warranty procedures required by the equipment manufacturers or the boat manufacturer.
 - e. Taking the boat from the yard, or using it before commissioning is complete constitutes acceptance of the boat as is, accept for any agreed, noted exceptions.



7. Warranty:

- a. The warranty is as agreed in your purchase agreement.
- b. The warranty on all equipment is between the equipment supplier and the owner and per the terms of their paperwork.
- c. In the case of commissioning work provided by the BYA commissioning agents, our project manager and vendors warrant both the equipment and installation of it. You should call your project manager if any item is of concern.

8. After delivery, if you've signed up for our stateside commissioning service, for a period of one year, you may use



our project manager as your single point of contact if you have any warranty issues. To help with this, we have set up an on-line warranty and service report and resource page. Please refer to:

<http://www.bayacht.com/warranty.htm>

At the end of the day, we pledge to you that we will provide the best price, best information and best service available in the industry. We look forward to being of service...

Eric Smith, President

4. Q&A

Questions we are often asked to answer...

(You may not even have thought of some of these--but take advantage of others experience here.)

Q1. I've heard other dealers say negative things about Fountaine Pajot?

A. Fountaine Pajot is the largest catamaran manufacturer in the world for both sail and power. In addition to offering private yachts, they have a commercial division that builds custom ferry boats--up to 400 passenger catamarans. Unlike smaller manufacturers, they have in-house designers and engineers who constantly evaluate the designs and processes.

Fountaine Pajot is the only catamaran builder, that I am aware of, to have been accorded the "ISO 9001 v2000 QUALITY" label for the entire production cycle. This stringent quality standard evaluates everything. The initial design, the construction cycle, quality checks, documentation, even the way raw materials are stored. This extraordinary quality standard has resulted in us seeing warranty claims reduced to less than 1%!

As a leader in their category, other dealers of other brands, who are often not true professionals, take pot shots at the leaders because of their own lack of full knowledge. As always, if you ever hear anything negative about a product leader, you owe it to yourself to get the straight scoop from someone who has a full understanding. Just call us, and we'll answer any questions that you may have. For more on Fountaine Pajot, including their financials, go to:

<http://www.bayacht.com/fpvisit.htm>

Q2. Will I be able to get service on a French built boat?

A. Everything we consider to add to your boat is looked at from the standpoint of service. For that reason, we have set up an extensive service center at our various locations (See the left hand map). We (and Fountaine Pajot) advise that you order your equipment from your local dealer to insure easy service. We normally provide A/C, generators, watermakers, Bimini and canvas, even the 110V-electrical system--all to insure that you have no problems getting service for your boat.

Q3. What about Fountaine Pajot's warranty?

A. boat warranty is more like a home warranty than a car warranty. Normally, if the refrigerator breaks (in your home) you go to Sears--not to the builder. The same with your boat--normally. The difference with BYA is that when we do the local commissioning, we stand ready to service everything. Whether you have a problem with equipment, the installation or the basic boat--you simply come to us and we take care of arranging necessary service—as long as you follow our warranty guidelines and honor the terms of your purchase agreement. Normally, the warranty on equipment is for 1 year, and Fountaine Pajot warrants everything for a year, and 5 years for osmosis. In reality, if you ever had a structural problem, it would most likely be taken care of if were deemed a manufacturer problem. A company of Fountaine Pajots stature could not afford to have any kind of structural problem not addressed.

Q4. What's included in Fountaine Pajot's commissioning charge?

A. If you elect to have as Ocean delivery (instead of using a commercial carrier) the French government has certain

safety equipment requirements, and the captains have certain requirements. There will be required safety equipment, and a life raft provided and the boat will need to be transported to the commissioning port. Then it will be rigged and tested prior to the Captain boarding. Note: Generally, European equipment, no matter how good, is not C.G. certified, so when the boat gets here, you will need to supply certified equipment. (When you get a complete quote from us, including having us do all of the commissioning, all of this will be included.) In the end, this is a minor additional charge and the total cost of "Ocean Delivery" is still approximately 1/2 of the cost of delivery by freighter. We will discuss your delivery choices in detail at the time of your order.

Q5. What's involved when you commission my boat in the States? (This assumes that you include our local commissioning option in your purchase agreement!)

A. As discussed earlier, we will first review the choices and options, and in most cases plan on installing most equipment here.

Keep in mind, it may actually be less expensive to do much of the equipment installation in the states, and the equipment chosen will be more easily serviced. As an example of what we do here, here is a partial list: Lift the boat for bottom inspection and to change the drive oil (required by eng. MF), A full, legal U.S. C.G. package of safety equipment and ground tackle is included in our charge. Further, we consider the total electrical loads discuss this with you, and together we choose appropriate, alternators, inverter/chargers, extra batteries and what ever else is needed. Install the entire 110 system from the multiple inlets (required if you add A/C) to the outlets inside. We do advanced electronics, entertainment systems, A/C and gen set, water makers, dive compressors, sophisticated communications equipment, on-board offices, custom cabinets and decorations, cockpit cushions and custom canvas, custom fabricated, welded pipe frame biminis and storage racks and much more. At the end of the day, we will probably save you enough on the equipment to more than cover the cost of having a professional project manager oversee and coordinate the project. The bonus, is that you have installed equipment the way you want it and that it is easier to service. You will now have one point of contact for all of your service or warranty needs. Your sales associate will discuss the total cost of the equipment and professional project manager when he gives you the final quote. **Also see Q11.**

We will provide you with firm prices for everything at the time of placing your order. Our quote will include: Receiving your boat, reviewing the punch list from the delivery with the captain. Taking the boat and crew through customs. Paying duty and port charges. Delivering the crew to the airport. (We have become good friends with most of the captains and they are a great source of suggestions and information.) Our project manager, after consulting with you, then coordinates all of the various suppliers. He meets with you when the boat arrives and consults on all of the details. Where the electrical outlets and fans should go. What kind of microwave you want. Are there any custom cabinets, lighting or anything else that you would like to change or add. After thoroughly understanding your requirements, he oversees their installation. He supplies all of the required C.G. and safety equipment (to extraordinary standards that we have established based on years of experience in, often, harsh environments). He fills the propane, and fills all of the tanks and checks for leaks and in addition to overseeing all of the installations, he checks everything for proper operation and calibrates the instruments. He arranges for the name and hailport to be done. When everything is done, he meets with you and instructs you on the operation of everything at the dock, and finally during a sea trial. The normal warranty requires that you coordinate everything with individual suppliers--engine, water pump, sails, Fountaine Pajot, windlass manufacturer, etc. When you have us commission the boat--you have one point of contact for any technical question, or warranty issue for one full year--your project manager who we assign. Please note: If you arrange commissioning yourself, you will be responsible for all of the above and we will require you to sign off that you understand these obligations during settlement.

When we do the commissioning, there is no conflict with the Fountaine Pajot warranty and you only have to turn to us if you have a warranty issue later. We warrant both the products and installation when we do the commissioning.

Q6. Can I do the commissioning myself, or supervise it myself?

A. Of course you can. However if you do, you should be prepared to spend considerable time at this. (review the list of what commissioning entails in the previous question.) Keep in mind that if you don't have us do the stateside commissioning and you later have a warranty issue, you will have to act like your own commissioning agent and follow up directly with the individual vendor or product manufacturer. Often, it's difficult to determine if a fault is the result of the installation or the equipment. Sometimes, a subsequent installation may adversely effect a system installed by Fountaine Pajot and you may void the Fountaine Pajot warranty (improper bottom preparation for painting, overloading wiring systems, wood or cosmetic damage are just a few examples). Also, you may not use our vendors who are already operating on a schedule established with us and who have exclusive agreements with us, so whatever suppliers you use may be on a steep learning curve. In our experience, those that have attempted to do their own commissioning have found out in the end that it took much longer and cost as much or more than if they simply had us take care of everything. I often suggest, "that you do more of what you do well to earn the money to pay us to do what we do well!" If you are considering doing your own commissioning, please discuss this and let's agree on an amendment to the purchase agreement *prior* to executing it!

Q7. What if I'm traveling and none of your service centers are near by when I need service or warranty attention?

A. This is the norm rather than the rare exception. You can simply go to a local boat yard, get an estimate and relay it to us via our warranty internet site (<http://www.bayacht.com/warranty.com>) or simply call us. We will authorize the work, or if the problem is complicated, our service techs (or in rare cases, Fountaine Pajots) will travel to the boat to assist in any required correction.



Q8. Which delivery option is best?

A. It depends on your situation. In our experience, an Ocean delivery, when done by an experienced captain, is best. The boat gets a thorough shakedown and we have found that there is less possibility for damage than when shipped on a freighter! Next is barge delivery--a float on, float off submersible barge is used. The schedule for these is limited so the timing might not work out. The cost is generally slightly more than for Ocean delivery. Finally there is freighter delivery. This costs about twice what Ocean delivery costs, and there have been times where the cargo shifts around and does damage--so this is no more risk free than Ocean delivery.

Q10. What if I want to set my boat up as a business?

A. Since 1972 we have helped over 670 people set their boat up as a business. We offer a comprehensive, customized business plan that is linked to our database and based on actual results. We don't just send you to some management company, we have our own management company, [LetsGoCruising.com](http://www.lets gocruising.com) (www.lets gocruising.com) and we have on-going relationships with several of the best management companies in the world. We will lead you through the process step by step, and once your boat is in the program we will maintain an on-going relationship with you that includes our charter brokers booking your boat where ever you choose to place it.

We don't duck the hard part. We have extensive tax implication research to share with you, owners who have done this that you can talk to and our business plan is comprehensive. It looks at cash flows, tax implications, budgets for service and maintenance, shows disposition options and much more. We also offer comparisons to other types of management programs and point out the pluses and minuses of the various approaches. Contact us for details. (Go to <http://www.bayacht.com/invest.htm>)

Q11. What is some of the equipment that you would provide locally, rather than have FP install?

A. First we would discuss with you your ultimate use requirements, your experience and then we will offer choices in each category. Not everyone does all of what I am describing, but this is typical.

- Electrical 110V. We install the 110V wiring system from the input plug, through the wiring, outlets and panels. We also install suitable inverter/chargers and any 110 V. appliances (microwave, washer/dryer, ice maker, etc.), extra lights or accessories. We install the A/C system after determining the level of comfort and expense that you want to entertain. We choose a generator if you like and match it to the loads.
- 12V system: We evaluate the loads and charging system and add batteries, upgraded alternators, monitoring devices and multi stage regulators as required.
- Refrigeration: In some cases, especially for live-aboards, we provide upgraded refrigeration and cold plates. In general, we will size everything so that an hour of running the engine(s) or generator will: Recharge the batteries, and freeze the cold plates so that you can go 24 hours without running these again.
- Instrumentation and communication: We often use standard Raymarine components (sailing instruments and autopilot) installed by FP which is needed in order to do an Ocean delivery. However, we would add any of the more sophisticated equipment such as chart plotters, radar, computer interfaces, communication equipment including VHF, satellite and single side-band and more.
- Deck equipment: We can provide custom biminis, and almost always provide custom cockpit cushions with your choice of the latest high density or flow through foams and fabrics.
- Sails and rigging: Any combination of in mast or in-boom furling, and custom sails and rigging.
- Misc: Custom Bimini, davits and other custom fabrications. Watermakers. Entertainment systems. Setting up an office and/or global, in-motion TV and/or internet and anything else you can think of.
- Auxiliary equipment: Dinghy and outboard, full ground tackle and backup, all chain rode, secondary anchor, fenders and lines and all C.G. and safety equipment. (C.G. approved.) . We also convert the boat from butane to U.S. available propane. Fill all the tanks.
- Included in our commissioning package is also free dockage (normally \$20.00/ft/mo) while the boat is being commissioned, or for up to two months, whichever occurs first.

For more, please visit: www.bayacht.com/custom.htm

Q12. What about Sales tax in MD.

If you are going to use the boat principally outside of MD waters, generally you don't pay the tax. This might include the situation where you "follow-the-sun"—cruise south in winter, north in summer. But if your boat is going to spend the "majority of time" in MD waters, you may just need to pay it. For a complete discussion, please go to: <http://www.bayacht.com/resource/password/Insider/MDSalesTxDiscussion.pdf>

Why you just might just want to pay the tax and be done with it:

1. Avoid the hassle, and potential penalties and interest—come and go at will.
2. If you use our Boat as a business program, the amount is deductible. If you're in a combined (Fed/State) tax bracket of 40%, you get 40% back in effect.
3. If you later move to another state jurisdiction, the amount already paid will be applied to reduce your liability—In Fl, for instance, which has a 6% tax, they will credit the 5% paid in MD.
4. You can pay the use tax, rather than the sales tax (same 5%) and it goes to the Department of Natural Resources, not the general fund. This money is then applied towards Bay projects specifically.

Call us if you have questions: **410-263-2311** or Email us: info@bayacht.com

Bay Yacht Agency Group, 326 First St. Suite 29, Annapolis, MD 21403

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Note: This procedure is for information only and in no way modifies or changes the purchase agreement referenced herein.

Supplemental information.

Added C.G., Safety, and docking and mooring equipment...

This is a general guideline, some specific items may vary from boat to boat and items may be added or deleted from time to time. Ask if you have questions... Includes all equipment required by the U.S. Coast Guard—may vary slightly depending on the boat.

1. Fire extinguishers per regulations.
2. Horseshoe buoy installed in holder (meets or exceeds C.G. requirements)

Bay Yacht Agency 326 First St. Annapolis, MD 21403 410-263-2311 info@bayacht.com

1. Air horn, manual
2. 8" Brass bell (40' and over)
3. Flare Package, 12 gauge
4. PFD, Type II (Adult 4 packs) with organizer (One life jacket for each sleeping berth.)
5. Waste Discharge Plaque
6. Oil Discharge Plaque
7. 4 Dock and 1 spring lines w/eye splice
8. Fenders sized for boat, including one flat fender if specified
9. Primary anchor, Delta type w/shackles chain rode.
10. Anchor line, pre-spliced, 3 strand—for additional rode as required.
11. Galvanized anchor shackles
12. Shore Power with cord if/as specified. Various adapters may be needed depending on homeport Marina and are extra.

Additional list of equipment for a Charter Boat...

- a. Secondary anchor—supplied and installed on-board if appropriate package ordered—generally a Fortress w/nylon rode.
- b. BBB Chain, Primary, is an all chain rode.
- c. Additional fenders and dock lines.
- d. Children's life jackets (2)
- e. Complete Galley gear. Linens and snorkel gear vary with fleet.
- f. Chart book and cruising guide for area of operation.

Set up fee with management company—depends on company, see additional details for what's included, but generally:

- Set boat up in system—web, price lists, set up inventory and check out lists. Set up schedule with owner and put owner's schedule in on-line schedule. Train check-out captains on boat systems.
- Note, we must have the signed management agreement back in order to promote the boat and set it up on the web site.
- Set up chart of accounts and financial records.
- Briefing with owner.
- For more details on what the management company does, please go to:

<http://www.bayacht.com/resource/password/Insider/Charter%20Management-WhyUs.pdf>

Concerning settlement.

This following information is not a part of any agreement with SELLER/BYA. I would like to re-explain the policy and reasons for it.

Our PURCHASE AGREEMENT with PURCHASER clearly states that payment is to be in full at the time the boat arrives in Annapolis, Specifically: Delivery/Final Settlement: Title and ownership shall pass to the Purchaser upon completion of the settlement and after full payment is made to SELLER for all of the proformas or change orders referenced herein. Payments are due per the schedule of

payments on page 1. Final payment is due in full, in cleared funds, within (5) days after notification (by acknowledged phone/email or mail) to buyer that the vessel is completed at the factory, for Catamarans...

All commissioning work, or change orders must be paid for prior to starting the work. I understand that this may not be the way this is done in other industries but there are several good reasons for why we need to handle this, this way:

- 1 We guarantee the prices we quote (Unless specifically given as estimates). We pay the difference if a price increases, and we often purchase equipment in advance when we know availability is scarce, or that there is a pending price increase.
- 2 The alternative would be for the PURCHASER to pay 100% for the boat as equipped from the factory and for the PURCHASER to then arrange his own commissioning. I do not recommend this and, according to the manufacturer's stated policies, this may void some warranties on the boat when locally installed equipment is not installed by the dealer, but this is a possible alternative—read the warranty documentation. In a simple case, an electrical gadget may be installed that overloads a circuit, or by-passes a circuit breaker and then causes damage to other components in the circuit. Hardware may be mounted in a way that places undue stress on a part, or causes a leak that causes consequential damage.
- 3 Before the boat gets here, we arrange work, make equipment deposits (as needed/required) and in general manage the commissioning money on the owner's behalf (both before and after commissioning) because he can't be here overseeing the day to day work, taking vendor calls, etc. In other words, we change hats and act as the owner's agent in arranging a smooth commissioning process.
- 4 The commissioning happens rather quickly when everything is organized properly. Some vendors finish before others and want payment immediately upon completion. Sometimes we have to pay for parts or make deposits in advance. Then, we take care of dispersing funds as work is completed and inspected. Exactly because we take good care of these vendors and they know they don't have to wait for their money, they give us priority, good prices, and absolutely, 100% guarantee their work product—both parts and labor.
- 5 We can't be put in the position of needing to keep this flow going, and not having the funds available to pay deposits and payments as they become due—especially considering that everything typically happens within a few weeks or so of delivery and the owner often isn't available to inspect each stage as it is completed. The amounts, times and circumstances are so varied from boat to boat, and the time so short that the only practical way to deal with this is to have control of the funds from the time of settlement.

In the end, the boat is under full warranty from the Manufacturer and the equipment suppliers and we do a thorough check of all work before releasing funds so that the owner has some flexibility in when he can come and take final delivery and when he does everything has been checked and is under warranty. We then do a walk-through with the owner explaining systems, going through a comprehensive check sheet and going over everything one more time before the boat is considered fully commissioned.

For these reasons, we have the appropriate clauses in our PURCHASE AGREEMENT to insure that commissioning proceeds in an orderly and timely matter, and so that we can guarantee prices on the equipment we include in our original agreement (AT OUR RISK) in advance.

Thanks for your attention, we look forward to your having a pleasant and rewarding experience with your new boat.

This document in no way modifies the original Purchase agreement and in the event of any interpretation or conflict the terms of that agreement shall apply.

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Addendum A

Delivery other than to our home base...

1. Our purchase agreement addresses many practical matters concerning delivery. It requires acceptance of the boat by the owner, with noted exceptions/punch list, prior to first owner use. Once an owner accepts the boat for his use (either with an acceptance/delivery form, or by simply using the boat personally), under our purchase agreement, the boat is considered accepted by the owner. Noted exceptions will be corrected in Annapolis (or as may be otherwise mutually agreed) and, in any case, from this point forward the boat is under the warranty as outlined in our agreement and normal warranty procedures should be followed for any warranty work.

Again, per agreement, it is the owner's responsibility to inspect, or have his agents inspect, the boat upon delivery. First use implies acceptance.

2. The alternative is to not use the boat until we can inspect it and then agree on punch list (same result as (1) at the end of the day?). You still need to accept it prior to first use.

3. In either case, you are responsible for care/custody/control from turn over of delivery crew to you or your agents as the boat is not at our facility. Any extra costs incurred by your not promptly honoring your obligations of accepting the turn over, will be your responsibility. Be sure insurance is in effect, and someone is responsible to insure the boat is properly moored, etc.

4. If you are not confident in your captain's ability to inspect your boat—I suggest you employ a surveyor to act on your behalf. In any case, you need some agent to act on your behalf if you're not going to be there for the turn over.

Remember, your boat will be under warranty and normal warranty procedures will apply from the time you accept the boat.

Attached: Policies and procedures (guide submitted previously). Keep in mind, as stated in this document, your Yacht has just completed a trans-Atlantic delivery. There is going to be some wear and tear, including on running rigging--this is normal and to be expected. Remember, you saved approximately half the price over freighter delivery and, as often as not, we see boats arrive in better shape after an ocean delivery because the crew typically takes care of a lot of small adjustments and makes a note of items needing attention and you don't have the smoke and dirt residues or the scrapes and scuffs from the typical, freighter deck handling.

If you are going to have additional commissioning or other work done by us at our facility, after you have used the boat for some period of time, then we will:

- a. Inspect the boat on arrival and note any issues requiring additional service attention. We will get your approval to proceed with appropriate service or warranty corrections based on this inspection.
- b. We will review the original Purchase order and any subsequent change orders for work that you want us to complete. Following the pricing guidelines of our Purchase Agreement, we will issue a work order for the remaining work which you will sign. Payment is required in full, as always, prior to commencement of the work.
- c. We suggest that (b) be done prior to your arrival at our commissioning base so that everything can be scheduled efficiently, with parts ordered, etc. as necessary.