

Jeanneau Commissioning Procedural Guide...

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, 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. These are not new, they are already included in your purchase agreement—we just want to review the items 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 delivered to its delivery location from 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.
 2. 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 completed 30 days before your boat arrives, to ensure availability of parts and equipment. Please be sure to talk to your Sales Associate prior to settlement to discuss and add any further options to your order.
 3. 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, your insurance policy is ultimately responsible for your boat. Because it is normal for several vendors to have access to your boat during commissioning, we will absolutely not be liable for any personal equipment you put on the boat.
 4. 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 30 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.
 5. 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.
 6. 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.
 7. 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. 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.
 8. We will provide all of the supporting manuals and documentation provided to us. It is not possible to have complete schematics and documentation on the custom work done 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 in this document with this date and have received copies of relevant factory warranty information.

Signed (Owner): _____ Date: _____

Jeanneau 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 (right), your project manager will be assigned to your commissioning project. He will coordinate the different vendors, answer your questions, control the commissioning process and ultimately, familiarize you with your boat and its systems. He will review all of the custom choices 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. 410-263-0696.

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.



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.

For more details concerning commissioning, see below.

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 and commission it. 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.

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.

Our service manager 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.

3. More on commissioning

Getting it done right.

Commissioning a boat, when done properly can be an exciting and fun time. This following procedure is 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:
 - a. 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.

- b. 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 prior to settlement-Call Kris if you have a question. (The bank will require this—normally a binder number and contact information is sufficient for the bank.) Any funds required to be paid must be in the form of cleared funds as we will be transferring full title to the boat to you with receipt of final payment. 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 from this point forward.
4. Typically, our commissioning project manager arranges to pick your boat up at the port (Baltimore, normally) and the boat is preliminarily checked there. There are checks for damage, the through hulls are checked, the engine and alignment is checked so that the boat can be “water delivered” to our yard. Jeanneau America takes care of the delivery paperwork, including the paying of required duty and import fees. Our project manager then arranges for the disposal of the shipping cradle, and the delivery of the spars (by separate truck) to Annapolis. He 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 that is normally included in your agreement.



5. When your boat arrives at our yard, we will more carefully inspect it on your behalf. Of course, you may inspect it as well. Any corrections needed will be noted on a separate report to be turned in to Jeanneau America to notify them of any pending issues. Included in your commissioning is free dockage at our facility until the final, owner check out. This requires that no additional work be committed for during the time that commissioning takes place—see (7).
6. 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.
7. 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 36 years of doing business, we have never had items stolen from a boat during the commissioning process.

8. 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 as this could cause a conflict with scheduled vendors.

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 the boat yard and Jeanneau America so that there is no compromise of the warranty or the final check out when work is accomplished by them.

After the commissioning is complete, and you have signed off on it, you may arrange work with any vendor 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 Jeanneau warranty as a result of a particular vendor working on the boat or as a result of his installations.

9. 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, as indicated on the purchase agreement, implies acceptance of



the vessel as received, accept for any mutual signed list of exceptions.

10. 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.

11. After delivery, 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

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

Addendum A

This information is provided for information only. The information may change from time to time. Please consult your specific agreement, or BYA personal for up to date details.

Commissioning more specifically...

BYA provides a *project manager* who reviews the equipment list with the owner and offers advice as to additions or deletions, coordinates the sub-contractors, arranges transport to the commissioning yard, arranges rigging installs the loose equipment and in general, oversees the commissioning process from ordering equipment, through selecting vendors, conducting sea-trials, and offering after sales support.

Jeanneau

1. Receive vessel at Port of Entry, execute paperwork
2. Unload boat to the dock. Take off shrink wrap. Check visually. Check through hulls for security
3. Launch boat into the water
4. Fuel and check systems. Check engine alignment and through hulls for leaks.
5. Dispose of delivery cradle
6. Deliver mast to commissioning yard by truck. Delivery boat to commissioning yard by water.
7. Arrange for Haul/Prep/Paint bottom and install necessary through hulls
8. Fill fuel and water and test tanks..
9. Provide space for up to (approximately) one month of commissioning.
10. * Insure all sub-contractors comply with Workman comp requirements and have all paperwork on file with
11. the commissioning yard.
12. Extract mast from protective tube and dispose of tube.
13. Rig mast, to include VHF and/or other antennas and install windex.
14. Assemble/install lifelines.
15. Procure and place on board necessary ground tackle.
16. Procure and place on board required safety and mooring equipment.
17. Consult with owner and provide for the application of Name and Hailport.
18. Install filled propane tanks.
19. Arrange installation of specified local equipment and coordinate the vendors.
20. At conclusion of commissioning. Fill fuel and water tanks. Check for proper systems operation and no
21. leaks.
22. Check all on-board systems and make corrections as necessary.
23. Check deck fittings for leaks.
24. Provide instructions concerning paperwork.
25. Arrange for, and conduct sea-trials with the owner. Review calibration procedure for wind/depth/speed and auto-pilot. Do a thorough check out of all systems that came from the manufacturer or that were installed by the BYA arranged commissioning yard. NOTE: We do not swing the compass. This should be done by the owner after all of his equipment is on board and a deviation card made. This can only be done once everything is in place and should be checked periodically.
26. Ensure that all owner's manuals delivered with the boat or equipment are available to the owner
27. Conduct final cleaning of the vessel prior to delivery.
28. Provide Post-sale advice and warranty follow up for one year from the date of settlement. Please see
29. warranty and service notes at: <http://www.bayacht.com/warranty.htm>

In all cases...

No other work by any outside vendor is to take place until the BYA arranged commissioning is complete, the

owner is checked out, and the work is signed off on as satisfactory. The Owner agrees not to instruct the BYA commissioning staff to make any changes. All changes must be initiated through the BYA office directly, and evidenced by a signed change order paid for in advance. If an estimate, the estimate is to be paid for and appropriate adjustment made at the completion of commissioning.

As noted in the Purchase agreement, taking of the boat from the commissioning yard constitutes acceptance of the Vessel as is except for any written, agreed exceptions. From a practical point of view, we cannot be responsible for your boat once you start using it. This is the point where the umbilical is cut, and you are responsible for your own actions—however we still remain in place as your support network and information resource and will, of course, finish up any outstanding issues on the punch list we develop.

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

Includes all equipment required by the U.S. Coast Guard. It is the owner's responsibility to make sure this and/or any other required equipment is on board before leaving the dock.

1. Fire extinguishers per regulations.
2. Horseshoe buoy installed in holder (meets or exceeds C.G. requirements)
3. Air horn, manual
4. 8" Brass bell (40' and over)
5. Flare Package, 12 gauge
6. PFD, Type II (Adult 4 packs) with organizer (One life jacket for each sleeping berth.)
7. Waste Discharge Plaque
8. Oil Discharge Plaque
9. 4 Dock and 1 spring lines w/12" eye
10. Fenders sized for boat, generally, including one flat fender for horizontal use against round pilings.
11. Primary anchor, Delta type (44# for the Jeanneau 49 for example) w/shackles chain rode.
12. Anchor line, pre-spliced, 3 strand—for additional rode as required.
13. Galvanized anchor shackles
14. Shore Power cord, as specified in the purchase agreement. Various adapters may be needed depending on homeport Marina and are extra.

Additional list of equipment for a Charter Boat...

- Secondary anchor—supplied and installed on-board if appropriate package ordered
- Chain for primary anchor, and a rope rode for secondary, if specified.
- Additional fenders and dock lines. (One set of twisted, dock lines to stay at the dock, and a set of braided with eye splice to go with.
- Children's life jackets, normally (2) unless otherwise specified.
- Complete Galley gear and linens
- Chart book and cruising guide for primary cruising area

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 with a password supplied.
- Set up chart of accounts and financial records—if specified.
- Briefing with owner and review of guidelines and procedures.
- For more details on what the management company does, please go to:

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

What if you decide to do your own commissioning?

There are some things that simply must be done by us. By Law and by Jeanneaus requirements for implementing warranty, etc. Also, before removing the boat from the yard, you must have all required C.G. and safety equipment on board, and the name and hailport properly affixed. 1-8, We will provide dock space for approximately one week to complete this procedure. 10-13, 19-20, 22-25

So, the primary savings are simply providing your own C.G. & safety equipment and the name and hailport. We will provide a package price for any additional work that you want done during commissioning but that must be decided before commissioning commences—see the procedures above.

Finally, keep in mind that if you do commissioning, or arrange it with an outside vendor, you could get into a situation where the vendor does something that voids the warranty (overloading circuits, improper attaching of hardware, improper balance of boat, etc.) If a problem later develops, you don't know if it was something that originated with Jeanneau, or was caused by after market equipment or installation. In all cases when we don't do the entire commissioning, for any potential warranty issues, you will be responsible to get professional analysis of the problem together with documentation and pictures and then get approval from Jeanneau or the individual, appropriate vendor prior to commencing any work.

When we do the normal factory commissioning, as well as the after market commissioning, we use approved contractors and there is no jeopardy of your warranty. If you have a warranty issue, you have one source to check with to have it corrected. We work with most legitimate boat yards—you do not necessarily have to come back to our yard to get service, but you do need to get prior authorization prior to commencing any work—again see our warranty procedures.

While this procedure may seem a bit onerous, believe me, after commissioning 1,000's of boats we have found that it's best to do a thorough and professional job at this critical point in your ownership experience. Doing the commissioning right will set the stage for your thoroughly enjoying your new boat. This is not a place to cut corners!

We hope that this answers most of your questions, but as always, feel free to call us if you have any questions. 410-263-2311 or info@bayacht.com

Eric Smith, President

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Concerning settlement.

This following information is not a part of any agreement with SELLER/BYA. The specifics are incorporated in the Purchase agreement. I would like to re-explain the policy and reasons for it as there is sometimes confusion regarding this very important provision.

Our PURCHASE AGREEMENT with PURCHASER clearly states that payment is to be in full at the time the boat arrives in Annapolis, **Specifically:** "...is due in certified or other collected funds to be paid to the SELLER at the time of, or before delivery by ground transport or by water to the agreed upon location stated herein".

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 as described herein.
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.