



Seattle Yachts Purchase/Leaseback Partner Program

The Seattle Yachts ***Purchase/Leaseback Partner Program*** is a unique opportunity being offered to one boat buyer (per territory) willing to put their new boat to work part-time.

If you purchase a new **Northwest, Legacy or Seapiper Yacht** and participate in our ***Partner Program***, you will receive special discounted pricing, charter revenue and a commissions on future sales.

Here's how the program works:

- Order a new Northwest, Legacy, or Seapiper at special discounted pricing.
- Lease your boat back to Charters Northwest (division of Seattle Yachts) for limited bareboat charters to prospective new boat buyers who wish to experience the boat before purchase. (WA State partners avoid having to pay sales tax on purchase price).
- Moor your boat at docks visible and convenient to any one of Seattle Yachts' 7 locations (Seattle, Anacortes, Alameda, Marina Del Rey, San Diego, Fort Lauderdale or Annapolis).
- Allow appropriate signage to be placed on the boat when it is not in use by you.
- Let Seattle Yachts show your boat to prospective purchasers.
- Permit Seattle Yachts to conduct short sea trials for serious qualified potential customers.
- Allow the use of your boat at selected regional boat shows.

In exchange, your Charters Northwest will pay you 50% of net charter revenues received and a commission of 2% of the base purchase price of any boat of the same make (Northwest Legacy or Seapiper Yacht) sold in the territory for the first three years or 5 boats, whichever comes first, following the delivery of your boat.

Anticipated Questions

1. ***Why are you offering this program?*** – The business climate has changed radically in recent years. It is no longer easy for boat builders or dealers to have inventory at the dock to sell or use as demonstrator boats. Floor plans (bank financing of inventory) have all but ceased to exist. This program is designed to reward an owner who is willing to partner up with us and allow us to have product available for display, demonstration and boat shows.
2. ***Are there tax benefits to this program?*** – Boat owners who purchase a boat and place it in a managed bareboat charter program may be able to defer the payment of sales or use tax

at time of purchase. Expenses and capital purchases for the charter boat may be tax deductible. Consult your accountant for more information.

3. ***Does Charters Northwest have any experience in the bareboat charter business?*** – Yes, Charters Northwest is a bareboat charter company founded in 1992. It was in 2006 that we ceased doing charters to concentrate on boat sales.
4. ***Am I restricted in the use of my boat?*** – Boat owners of boats in a charter program may not “use” their boats in the traditional sense. Charters Northwest will charter the boat to the owners for fair charter value and collect sales tax on the charter fees. 100% of charter revenue (less tax) is credited to owner. Owners may charter their boats as often as they like provided they do not take extended cruises of longer than 3 weeks at any one time and extended cruises not to exceed 2 in any calendar year.
5. ***Will my boat get worn or abused while in charter?*** – It is anticipated that there will be a limited number of charters per year. Charter will be offered primarily to parties interested in purchasing a new boat. If charterer cannot demonstrate proficiency in handling the boat, then a licensed USCG skipper will be required at the expense of the charterer.
6. ***Who has responsibility for moorage, insurance, maintenance, and cleanliness of the boat?*** – You, as the boat owner are responsible for the cost of moorage, insurance, normal maintenance, and periodic cleaning of your boat. Seattle Yachts will be responsible for any special maintenance or cleaning needed as a result of the boat being used for charter, demonstration or boat shows.
7. ***Who pays for the fuel when my boat is used for charter, demonstration or boat shows?*** – A per hour of running fee will be established (based on engine and boat size) to be paid to Owner by Seattle Yachts when your boat is used for charter, demonstration or boat shows.
8. ***What happens at the end of the agreement term?*** – Seattle Yachts and boat owner may elect to extend the agreement term if the boat is still of current model, design, and is in “like new” condition. In the event the boat is not a current model or the condition of the boat is less than required to remain in the program, you will be given first right of refusal to continue in the program by selling your present boat and purchasing a new one.