



Antipode

— Yacht Brokerage —

Foreigner buyer's Guide

You are considering buying a second hand boat in France using our company's services.

This guide was drawn up for foreign buyers to answer all the questions they might have when purchasing a boat, up to concluding the transaction: about our company, visit of the boats, survey, purchase offer, sales agreement, VAT, customs, paperwork, transportation, delivery, etc.

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1 ANTIPODE, yacht broker

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3 THE SECOND-HAND BOAT MARKET IN FRANCE

1 ANTIPODE, yacht boat brokerage

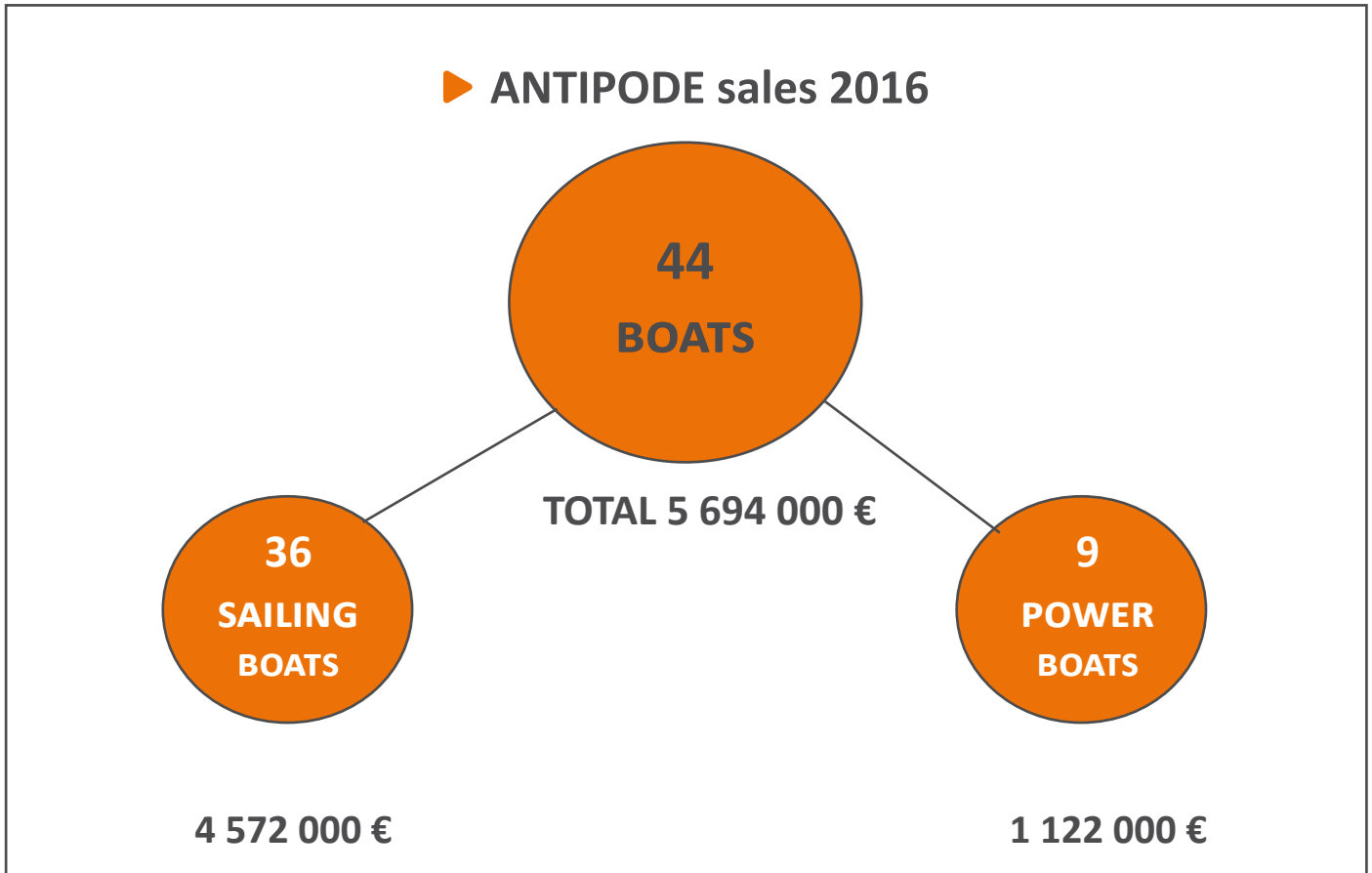
ANTIPODE is a company specializing in the sale of second hand boats, created in 2007 by Jérôme LE JOUBIOUX. The head office is in VANNES, in the heart of the Gulf of Morbihan.

This favourable geographical location means that we are 2 hours' drive from all the marinas in the Greater West of France.

1.1 Information sheet

- Date created: 2007
- Workforce: 3 people
- Legal status/Co. Registration: Limited company - Co. Reg. No.: 49812613500033
- Professional liability insurances : COVEA RISKS, contract n° 141854514 / ALLIANZ, contract n°55307895-027 / AIG, contrat n° 510401
- Bank address: CREDIT MUTUEL DE BRETAGNE Vannes Kerlann
- Member of the French Nautical Industries Federation, member No. 2247
- Member of ORIAS (Un ique register of intermediaries in accounting, banking and finance), member n° 17001819

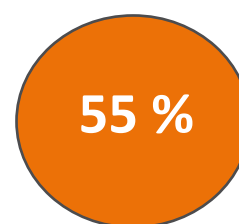
1.2 A few figures



▶ Average transaction price



▶ Export sales



▶ Average age of the boats

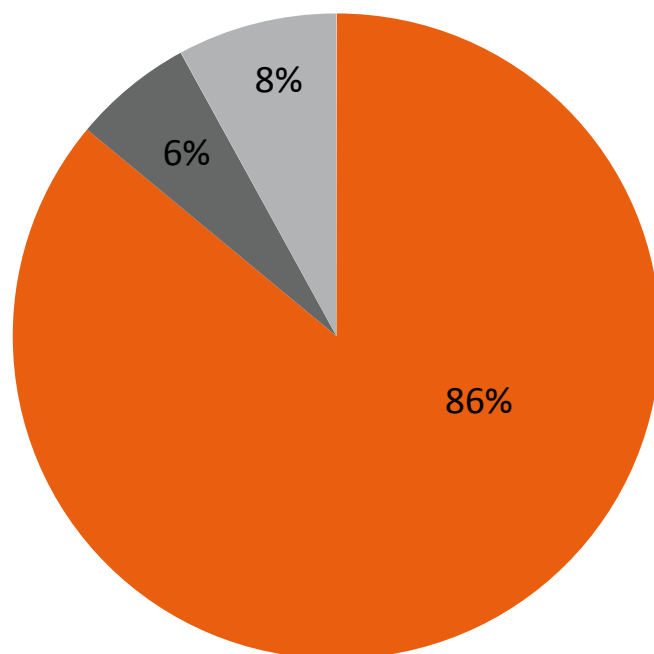


▶ Average sales time (from the time the boat is put on sale to final sale)



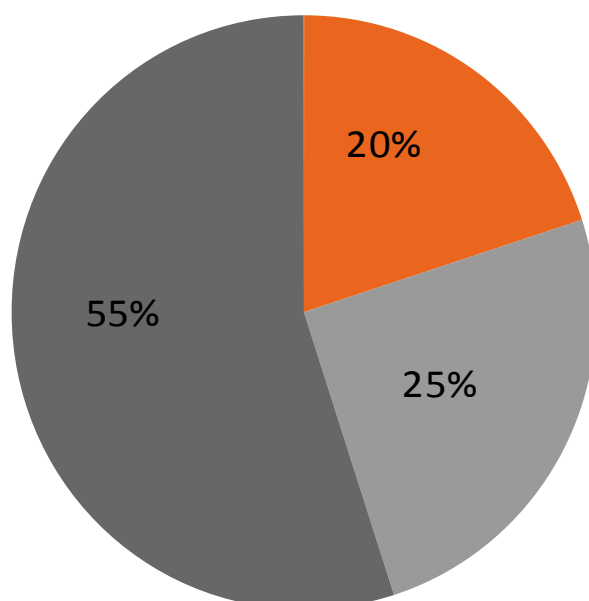
Home port for the boats sold by ANTIPODE in 2016

■ Abroad ■ France except Brittany ■ Brittany



Destination port for boats sold by ANTIPODE in 2016

■ Channel & Atlantic ■ Mediterranean ■ Export



1.3 Values

We have values!

Above all we care about doing our work well and quality customer service.

We have a “gentle” sales approach: we do not enter a trial of strength with owners and we do not exercise pointless pressure on buyers.

Deals must be carried out in a climate of mutual trust, respecting the buyer's and seller's interests. Take a few minutes to read the testimonials that our customers have sent us and you will have a better understanding of what we are saying.

In short, we want our customers, buyers and sellers, to be able to say that we are efficient, professional, open, available, responsive, etc., and we do everything possible to achieve this result.

1.4 A team 100% dedicated to selling second-hand boats

ANTIPODE is a team 100% dedicated to selling second-hand boats. We are all boat enthusiasts, cruising or racing, on regular basis. We have a solid maritime culture and navigation experience



Jérôme LE JOUBIOUX

Jérôme founded Antipode in 2007 after having spent 15 years working for a major French boat builder, having sold and delivered boats all over the world. As all the employees of Antipode, Jérôme is passionate about the sea, boats and anything that floats by some means ... especially when it goes fast : windsurfing, dinghies, catamarans, offshore racing, Jérôme loves putting on his wet suit and navigate on his favorite spots : Golfe du Morbihan and the Quiberon Bay. He is an expert on technical points, especially on rigging and sails, and is very proud to say that he always recognizes a boat on the first look.

« We sell used boats that by definition are not perfect and we need to be impeccable on the manner in which the transactions are carried out, respecting the interest of the buyer and the seller ».



Jean-Baptiste LEMAIRE

At the age of 4 he was learning to sail on the Seine, at 15 he was doing his first French Micro championship, at 25 he was sailing across the Atlantic on an Wauquiez and at 39 he ran the Mini Transat and finished 7th in the Series category. In 2017, Jean-Baptiste will run the IRC season on an A 35 and will participate in the 2017/2018 Transquadra in a double crew on the A 35 VLI MAGELLIMO.

Fifteen years of experience in selling yacht charters brought him to sail on many seas, from Polynesia to South Brittany, via the Caribbean or the Mediterranean. Cruising or racing, comfort and performance, the extent of Jean-Baptiste's experience enables him to give relevant advice with regards to the client's navigation program. He is as dedicated to selling a boat as he is to preparing his boat for the Mini Transat : there is no place left for luck. Smiling, relaxed, available

and always in a good mood, Jean-Baptiste is your partner to buy your boat : « *At Antipode, we are rigorous, precise and available. We have the sense of service and it is not because we have the cheque that the job is done* ».



Catharina HOLMBERG She speaks three languages fluently, French, English and Swedish, her mother tongue that makes the communication with the Scandinavian countries much easier. «*It's a real advantage in the exchanges with our clients from abroad*». She knows all the moorings in South Brittany that she explores with her family on board of a «Vintage» Mousquetaire.

At Antipode, she appreciates the Anglo-Saxon mentality : «*we are a reactive company, in which each cares for the customers. We are all dynamic people. Never a mail goes unanswered. It's a straight, organized company that does not play about*» she says with a slight accent. Catharina is like a « Swiss knife» for Antipode : translation, marketing, sales administration, accounting, transfer of ownership, export documentation ... she keeps track of all the files and nothing escapes her !

2 BUYING A SECOND HAND BOAT WITH ANTIPODE

2.1 Who are the owners of the boats we are offering you?

We are mandated by the owner (or the lease-holder of a Lease Option agreement) to sell the boat: sales advertisements, organize visits, draw up sales documents, and manage paperwork for change of ownership.

Most of the boats that we have up for sale are entrusted to us by private individuals. In certain cases, the owners are members of the trade who call on our services: builders, dealers, leasing companies, financial establishments, etc.

We therefore have a mandate defining the contractual relationship between the authorized agent (ANTIPODE) and the client (owner of the boat or lease-holder through a lease-option agreement).

2.2 Identifying boats that meet your criteria

We have a brokerage listing of approximately 150 boats for sale. Most of the boats that we have on sale are on the Channel/Atlantic seafronts. A small selection is on the Mediterranean coastline and a few boats are travelling or abroad.

When a boat on sale has caught your attention, we will send you an information pack: precise identification of the boat, her history, inventory description, photos and panoramic views, etc.

We draw up an objective technical assessment of the boat that we intend to offer you. We do not "overvalue" the condition of these boats and we try to give you a description matching reality to avoid any deception after visiting. If we find defects or equipment in poor condition, you are informed.

Before putting the boat on sale, we visit it with the owner. At the time of this in-depth visit, together we gather the information we need to build a file on the boat. We also carry out a visual check of the main structural parts of the boat. In short, we try to find out as much as possible to provide potential buyers with clear, precise, objective and loyal information.

In certain cases, we are unable to visit the boat before it is put on sale. This is the case for boats that are travelling abroad or too far from our offices. Therefore, the owner description and items of information that he can provide are what enable us to estimate the selling price and build up a sales and technical file on the boat.

2.3 Visiting

We organise visits in such a way that the buyer can take the time he needs to inspect the boat.

We have noticed that buyers prefer to carry out their first visit without the owner's presence on board. It is easier for a buyer to say what he really thinks about the boat to an agent rather than to its owner, and it is also easier to start discussing price or terms of sale.

2.4 Sea trials

- Sea trials before signing the sale agreement:

In certain cases, the buyer can ask to carry out a sea trial before signing a sale agreement. As a general rule, we are in favour of this, but beforehand we ask the buyer to give us a verbal agreement on the selling price and terms. There is no point in carrying out a sea trial if the price offered is not accepted by the seller.

Sea trial during the survey:

The marine surveyor assigned by the buyer can ask to have a sea trial done at the time of the survey, before or after the inspection of the boat out of the water.

Sea trial when delivering the boat:

The delivery of the boat to the new owner takes place in two phases: first a "technical" hand-over on the pontoon, to learn about the different systems and their operation (batteries, pumps, engines, heating, electronics, etc.) and, if the new owner wishes, a sea trial which enables him to discover all the boat's specific features.

The hand over can be carried out by the previous owner or an ANTIPODE representative.

2.5 Purchase offer

We give the buyer advice to help him offer a realistic price that would be acceptable to the owner and we pursue constructive negotiation in the interests of both the owner and the buyer.

Following the visit of the boat, the buyer can agree to buy the boat on the terms set out in the sale mandate, and in this event, we will immediately sign the sale agreement and ask for a down payment of 10% of the selling price.

If the buyer wishes to offer a price below the price asking price, we will ask him to make a written offer, which we will submit to the owner, which he can accept or refuse.

When a potential buyer makes an offer below the asking price, the owner can refuse it if he considers that the price offered is not sufficient. It is always difficult for the owner to accept the net offer that he will receive, since most of the time, it is a lot lower than the price he paid: inherent price decrease, seller's commission, costs involved for the repair of certain equipments, etc.

2.6 Sale agreement

If the offer made by the buyer is accepted by the owner, we draw up a sale agreement:

- "Second hand boat sale agreement" if the boat belongs exclusively to the owner (he is identified as "owner" on the certificate of registration).
- "Contract prior to the sale of a second hand boat under lease option agreement" if the boat belongs to a bank.

In all events, the sale agreement determines:

- Identification of the buyer(s).
- Identification of the seller(s) (or the lease-option lease-holders if the boat belongs to a bank).
- Description of the boat and detailed inventory.
- Agreed selling price.
- Down payment made (10% of the selling price) to ANTIPODE's bank account (specific bank account dedicated to the receipt of customer deposit payments).
- Time-limit for the sale (generally 30 days between the signing of the agreement and the final bill of sale).
- Possible condition precedent (example: financing agreement if the buyer is financed by a bank).
- Condition precedent of the boat survey (see below).
- Possible specific conditions (example: repairs that the owner agrees to undertake before delivery).

2.7 Boat survey

This is a very important step in the buying process: in the context of a second-hand boat sale through a broker, there are no guarantees for the buyer. Therefore, it is very important that the buyer should receive information from an independent surveyor about the real condition of the boat he is buying.

The buyer is the one who chooses, assigns and pays the marine surveyor.

If the boat is afloat, the buyer pays the cost of lifting out/in of the water.

We ask the buyer to assign his marine surveyor at the signing of the sale agreement. As a general rule, the surveyor carries out the survey the following week and the final report is sent to the buyer within 10 days of the survey.

Can the sale be invalidated by the survey?

Yes, the deal may only be completed on condition that the vessel survey reveals no flaws or defects that could justify the cancellation of the sale and make the boat unsuitable for sailing, or of the sort that would compromise the use of the boat without it being repaired.

In the event of the boat survey showing defects that might justify the cancellation of the sale:

- The sale agreement is considered null and void and the deposit is refunded in full to the buyer without delay.
- The cost of the boat survey and lifting out /in remain payable by the buyer.

In the event of the survey showing that the boat or some of the equipment delivered with the boat is defective or not in normal working order, the seller and the buyer may request the arbitration of ANTIPODE or the marine surveyor mandated by the buyer.

However, the buyer is informed on signing the sale agreement that the boat that he is buying is a second-hand boat. The possible minor defects inherent to the nature of a second-hand boat that might be revealed by the survey and that does not bring into question the boat's capacity to sail normally or its safety, cannot be used as justification for the cancellation of the sale or the reduction of the selling price agreed in the sale agreement.

All of our documents (sale agreement, invoices, bill of sale) are written in English and French.

2.8 Final delivery, payment, mortgage, possible provisions:

The final sale can take place as soon as the conditions precedents have been fulfilled: survey report not showing any defects justifying the cancellation of the sale and financing agreement if the sale agreement takes this condition into account.

ANTIPODE guarantees the seller and the buyer a secure transaction. The delivery of the boat and handing over of keys can be carried out as soon as the full sum due has been paid to the seller by bank transfer to his account.

We also check that the boat is not listed on the Marine mortgage registry: if the seller took out a loan at the time of the purchase of the boat and this loan is still in progress, it is possible that the bank took out a guarantee on the boat and that it is mortgaged. In practical terms, this means that the change of ownership cannot be made until the bank has cancelled the mortgage.

In this case we secure transaction in the following way:

- The buyer pays ANTIPODE the full selling price.
- ANTIPODE pays the sum of the debt to the bank holding the mortgage.
- ANTIPODE pays the difference between the selling price and the sum paid to the bank to the seller.

We are strict and take extreme care with payments: The seller must be paid in full when the boat is delivered. For example, we do not accept payment by bank cheques if the buyer is a foreigner and nor do we accept copies of the transfer order as proof of payment. When the payment is made by bank transfer, the transfer must be credited to the account of the seller, or in certain specific cases to the account of ANTIPODE.

Possible provisions:

In certain cases, in agreement with the seller and the buyer, we may keep a "provision" (as a general rule, between 5% to 10 % of the selling price) which will be given to the seller at a date subsequent to the delivery:

- If the boat is out of the water in a boat yard during the winter, when it is sold and delivered, and it is planned to relaunch the boat several weeks after the completion of the sale and final payment. In this case, it is not possible for the buyer to check that all equipments are in working order at the time of the completion of the sale. When the boat is back in the water, if all equipments are in normal working order, the provision that was kept on the ANTIPODE account is paid to the seller.
- If some equipment that is part of the inventory is not in working order when the boat is relaunched, ANTIPODE will use the provision to pay the repair or the replacement of this equipment.

2.9 Change of ownership

We take care of all the paperwork needed for a change of ownership.

As a general rule, we receive the new certificate of registration in the name of the new owner (or lease-holder if the boat is in a lease-option) within a fortnight of the effective delivery of the boat.

2.9.1 Paperwork for the sale of a boat in France

If the boat is sold in France and keeps its French flag, the paperwork is simple: we send the certificate of registration and bill of sale to the customs and Affaires Maritime to be updated with the name of the new owner.

The buyer can also ask to change the name of the boat.

2.9.2 Paperwork for the sale of a boat in the European Union

When the boat is sold in a member country of the European Union, we request its deletion from the French registry so that the buyer can then register the boat in his own country.

We also provide the buyer with a document proving that VAT has been paid in France as well as a CE certificate of conformity.

2.9.3 Paperwork for the sale of a boat outside the EU

When the boat is sold outside of the European Union, we must use the services of a customs agent who carries out the export declaration with the customs office of where the boat is physically located. In general, the agent also takes care of deleting the boat from the French registry.

2.10 A complete range of services

From the first visit to the handover of your boat, and sometimes well afterwards, we are able to offer you all the services connected with buying your boat:

- Mooring : yes, there are marina berths available, in Brittany and elsewhere, for clients who wish to buy a boat. We can offer you long-term solutions and we can undertake by agreement to provide you with mooring solutions while waiting to obtain your own mooring through your own channels.
- Transportation: we can organize the transportation of your boat, whatever the means, by sea or on the road. We can advise you on the most suitable solution according to your boat and her destination : by truck, by ship or by sea with a skipper.
- Training and technical handover: if you feel you need technical or seagoing training in relation to specific features of your new boat (manoeuvres, electricity, mechanics, maintenance, etc), we will provide you with assistance for a few days to complete your training (price in general: 280 € per day).
- Other technical services: mechanics, electricity, plumbing, general maintenance, sailmaking, rigging, GRP, cleaning, electronics, storage ashore, cabinet work, etc. We have been working with the best companies for many years.

3 THE SECOND-HAND BOAT MARKET IN FRANCE

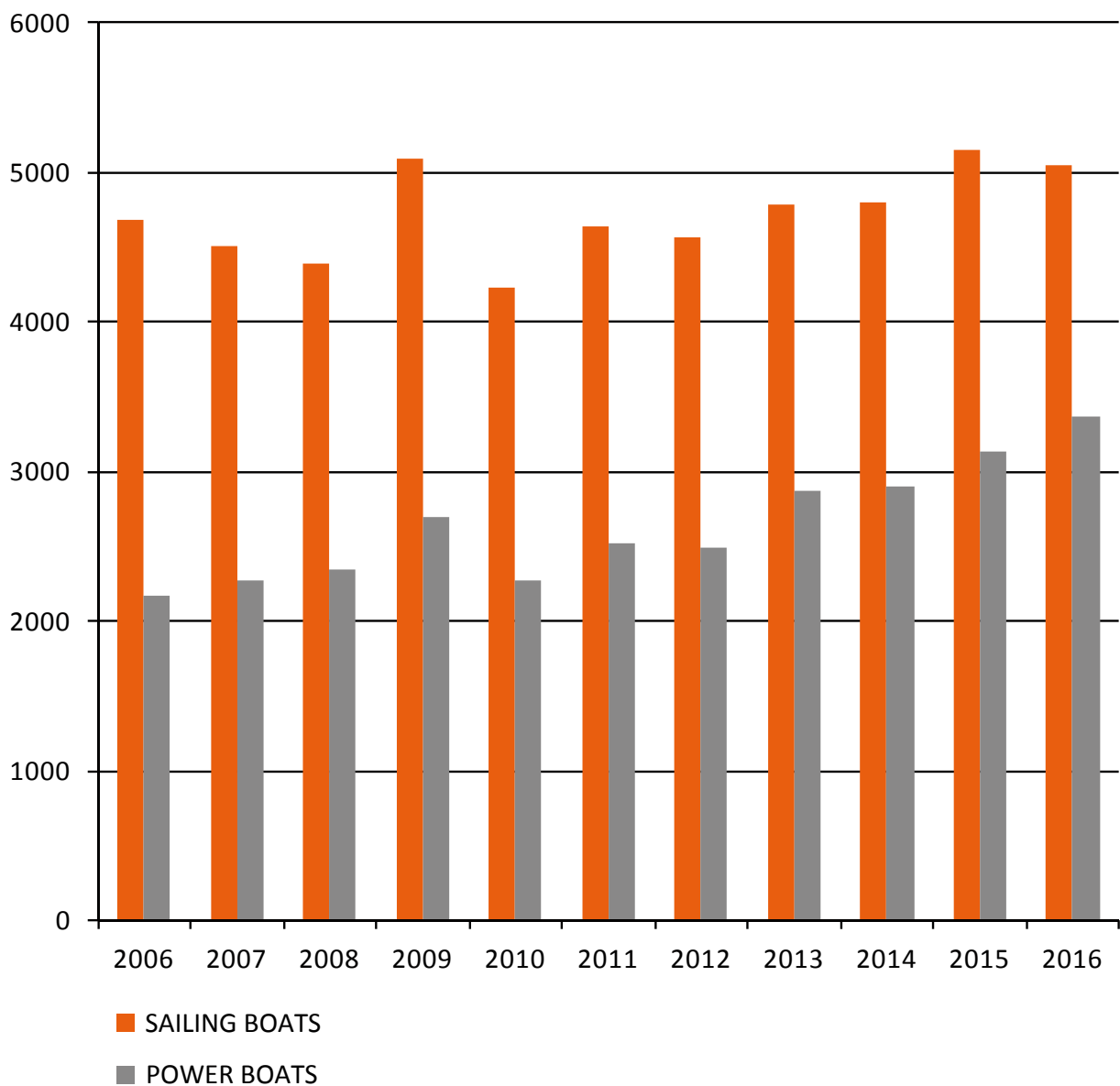
2016 has confirmed 2 structural tendencies of the second hand boat market in France observed since 2006:

3.1 The consistent progression of the number of transactions:

On the segment of 8 to 18m, sailing boats and power boats combined, in 2016, 8424 boats changed hands in France (5052 sailing boats and 3372 power boats), compared to 8278 in 2015 and 6852 ten years earlier in 2006.

Sale of SECOND HAND SAILING BOATS and POWER BOATS

over 8 meters in France - from 2006 to 2016



Source: French Ministry of the Directorate-General of Infrastructures, Transportation, and the Sea - Octobre 2015

From 2006 to 2016 the second hand market in France has been particularly active: there has never been sold as many second hand boats over 8 meters in France (sail and power) since the beginning of the “crisis”. In other words, since 2006 and with the exception of the year 2010 that knew a little slow down, the sales of the second boats are constant and the sales carried out on the market (sales between private individuals and sales by professionals) largely exceeds the quantity of sales carried out during the “prosperous” years of the boating industry.

3.2 The decrease in price :

2016 also confirmed a tendency observed since 2014: the decrease of the average price of the transactions, this decrease has impacted all of the segments of the market. The “offer” of second-hand boats (the number of boats put on sale on the market) has also made strong progress: more boats are sold, but there are also more boats on sale... hence the average selling price has dropped significantly. To sum up, the market is promising for second hand boats (number of transactions realized every year in progress), however the boats on offer that are too expensive, poorly presented or lacking visibility on the market will not sell.

This price decrease has attracted a large number of foreign buyers, in particular German, English, Scandinavians and Americans.

On the other hand the market for new boats has seriously declined: in 2016, only 1510 new boats over 8m (846 power boats and 664 sailing boats) were delivered in France, which represents a decrease of 56.68 % compared to 2008 which was a record year for the sale of new boats (3486 boats).