



Fractional Ownership Summary

Reasons for Fractional Ownership

Fractional ownership helps current and future yacht owners preserve or obtain much needed cash flow. This includes yacht manufacturers who have excessive inventories of new and used yachts. Fractional ownership is the way:

- for a seller to obtain a higher value for his new or used yacht
- for a buyer to share the cost of a new or used yacht acquisition
- for a current yacht owner to keep his yacht and sell one or more ownership interests
- to share the yearly maintenance costs

General Provisions

The following general provisions should be considered when formulating the fractional ownership concept for a client:

- yacht is or will be owned by a company in a country of the owner's choosing
- yacht is or will be registered in a country of the owner's choosing
- the initial owner/purchaser owns 100% of the shares in the company
- a buyer of an ownership interest buys a proportionate number of shares in the company
- along with the shares, he also acquires proportionate usage rights which are contractually regulated
- the buyer can use the yacht immediately without waiting for all shares to be sold
- yearly maintenance costs are proportionately allocated
- the contract provides that if maintenance costs are not paid, usage rights are suspended and the time chartered out until all maintenance costs in arrears are paid
- yacht owners have regular meetings to select the management company, set up reserves for replacement of the yacht and discuss other matters of concern
- with the consent of all owners, the yacht may be transferred to the Caribbean for winter use
- all matters regarding the yacht require consent by all owners (100% of shares)
- if an ownership interest is offered for sale, present owners have the right of first refusal
- an owner can charter out any part of his allotted time to reduce his share of the yearly operating costs

Cooperation

Millennium International will work with you and your customer to achieve his goal of reduced costs and increased cash flow.

Millennium Services

Following is a partial listing of the services Millennium offers to make Fractional Ownership a satisfying experience for all owners.

- assist in the calculation of the sales price and number of shares to be sold
- form the company in the jurisdiction of client' choosing
- arrange for the registration of the yacht
- customize the fractional ownership contracts
- prepare corporate bylaws and other ownership agreements
- notify the appropriate authorities of transfers of ownership
- other duties required to complete the orderly transfer of ownership
- acquire all appropriate licenses and permits
- aid in securing a berth for the yacht
- hire and manage the crew
- arrange for appropriate insurance coverage for the yacht and each owner
- perform all income and expense accounting
- perform any and all additional management duties including concierge service, stocking the yacht with food and drink prior to arrival of each owner

Automobile(s)

Each yacht should have one or more appropriate vehicles for the transport of owners to and from the airport and use by owners to visit points of interest. Vehicles may be purchased or leased by the company which owns the Yacht.

"Toys"

Each Yacht should have a full complement (appropriate for its size) of "toys" such as jetski, waterskiing equipment, fishing equipment, etc.

Licenses/Permits

All licenses and permits for the proper operation of the Yacht in various jurisdiction should be obtained (eg. a Spanish charter license).

Yacht Maintenance

Once offered for sale, the yacht should at all times be in top condition, both mechanically and cosmetically.

Fractional Ownership Contract

Each contract will be customized by our attorneys to accomodate the wishes of the owner.

We appreciate the opportunity to be of service.

Please call me any time on my direct line [+49 162 273 55 82](tel:+491622735582) or send me an e-mail: thomas.knott@millennium-international.com



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