



# Houseboat Lake Powell

*Shared Ownership*

## Purchase Agreement For Wailea, L.L.C.

March 28, 2003

Mr. and Mrs. Powell Houseboat, hereinafter referred to as buyer, agrees to purchase and the undersigned Houseboat Lake Powell, L.L.C. a Utah limited liability company, hereinafter referred to as seller agrees to sell a 1/13th class I interest in Wailea L.L.C., the company for the sum of \$ 34,500.00 (including first year Maintenance Fees) - and will be issued membership interest certificate # 0003

Secured with this agreement is the sum of \$ 5,000.00 as full/ a down payment. At the option of the buyer, these funds will/ will not be held in escrow with Escrow Specialists of Salt Lake City, with a remaining balance of \$ 29,500.00 due March 31, 2003

The Company owns one significant asset, a houseboat together with its amenities and appurtenances as prescribed in exhibits of the Wailea L.L.C. Operating agreement, and said asset shall be hereinafter referred as Wailea. Wailea shall be fully owned and paid for by the company prior to depositing or release from escrow of buyer's deposit or purchase money to seller. Wailea shall be free and clear of all liens, loans, and encumbrances of whatsoever nature; it being understood that such interest will entitle the buyer to use Wailea, during the weeks # 16, 29, 42, 03 each year.

Wailea shall be a houseboat with hull # EYE50241C303 manufactured in 2003 by Sharpe Houseboats in Sommerset KY. Wailea shall be further described as set forth in the attached exhibits b.1 - features, b.2 - amenities, b.3 - floor plan, c - member exclusive use calendar and d - rules and regulations.

It is the option of the buyer to use an escrow account. The following are instructions to be used in the event that the buyers wishes to use and escrow agent.

Buyer agrees to pay Seller the sum \$ 34,500.00 in current US funds. \$ 5,000.00 in the form of a bank draft payable to Escrow Specialists L.C., Attn. Dennis Simpson P.O.Box 3287 Ogden, Utah 8409 Telephone number 801-627-6800, hereinafter referred to as Escrow Agent, is hereby receipted by Seller as a deposit and part payment. The said deposit shall be released by Escrow Agent to Seller and the balance \$ 29,500.00 shall be paid by the Buyer to Seller upon the satisfactory performance of the covenants herein stipulated including execution of the agreement and unencumbered delivery of Wailea to Lake Powell Delivery is understood to occur in mid March, 2003.

In such event that Seller shall fail to deliver: acceptable operating agreement documents; the assets (free and clear of encumbrances); and other obligations set forth herein, when and how prescribed herein, Escrow agent, pursuant to escrow agreement, is hereby directed To return the deposit referenced in earlier provision above to Buyer within 96 hours following receipt of written direction by Buyer and concurrence by Seller.

Yearly fees shall be composed of three components: Annual operating expenses; Modernization, and improvement (M&I) costs; and usage costs. Seller shall pay all 2003 Wailea operating expenses and any 2003 Wailea maintenance expenses. This excludes major damage caused by the negligence or reckless operation of the Buyer resulting in damage substantial for an insurance claim, at which time the Buyer will

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pay up to and including the full amount of the insurance deductible to return Wailea to perfect operational status. For the year 2004 and every year thereafter, subscriber shall pay not more than 1/13th of the annual operating expenses or 1/14th so long as there is a floating member as prescribed in the Wailea L.L.C. Operating Agreement. (reference operating agreement, floating 14th member)

**Annual operating expenses** shall include but not be necessarily limited to such things as storage costs, annual servicing of the houseboat, motors, out drives, generator, appliances, systems, equipment, and furnishings, cosmetic and structural repairs, deep cleaning, winterization, insurance costs, boat registration, national parks pass when applicable. Any Company filings fees, tax returns future slip or mooring fees would also be considered part of the annual operating expenses. Management of Wailea is not included as or in part of the annual operating expenses and is expected to be provided free of cost in rotation by volunteer members. Initially, the manager will be Aquatic Craft Management services L.L.C. (James Carrigan, and Darren Mansell, managers). Seller represents that initial projections for operating expenses due Jan 10th 2004 or if ownership interest is acquired after Jan 10th 2004 any maintenance fee must be paid at the time of purchase, to be \$1000.00 per year per 1/13 interest or 1/14th so long as there is a floating member as prescribed in the Wailea L.L.C. Operating Agreement. (reference operating agreement, floating 14th member). In the event that annual operating fees are insufficient to pay the reasonable and necessary expenses for any given year, each owner on a prorated basis, 1/13 or 1/14 interest, will pay an additional assessment.

**Modernization, and Improvement costs (M&I)** shall extend to such things as repair and replacement of worn out or damaged components, appliances, and furnishings; replacement of obsolete equipment with technologically current and appropriate equipment; addition of improvements such as shade screens, solar battery charger, or any other upgrade deemed appropriate by a majority of the members of the company in interest. However, should there be unsold shares of Wailea, the Seller, or future owners of shares not yet sold will not be included in any Modernization, and improvement cost (M&I) of Wailea. It will be the responsibility of the Owners of record, otherwise referred to as Designated Operators to equally distribute these expenditures. Until such time as all 14 shares offered by Seller are sold, the Seller holds veto power of any M&I to protect the integrity, reputation, and sale ability of the Sellers product. Additional recreational items such as water tramps, inflatable tubes, PWC's, speed boats and other such additions shall be known as and referred to hereafter as shared toys, may or may not be offered to both existing and new owners of record under separate cover, and language, and agreement to be determined at a later date. Purchase and shared ownership of shared toys is not mandatory or enforced with a majority vote of owners, but entered into by each owner of record on a voluntary basis only.

**Usage costs** are \$1500.00 per use to be paid by Buyer each time the boat is used. Usage costs for each use by Buyer of Wailea will commence upon first use of Wailea in 2003, and every use thereafter. This usage cost has been contracted with Lake Powell Marine until December 31st. 2005.

I have read and agree to all of the RULES AND REGULATIONS for the operation and maintenance of the Wailea Houseboat and further agree that any violation of these Rules and Regulations may result in an additional assessment to cover any damages and/or could result in forfeiture of my use of the houseboat.

I agree to use the Wailea Houseboat at my own risk and will operate Wailea safely and require guests under my control to behave in a safe manner while aboard Wailea.

That I will ensure the SAFETY OF ALL MEMBERS OF MY GROUP and not sue or hold responsible Houseboat Lake Powell L.L.C., Aquatic Craft Management Services L.L.C., and all other Owners, for any accident, damage, injury or other circumstance that may occur during my time on the Houseboat, with such injuries caused by my negligence, recklessness or the intentional conduct of my guests, employees, agents, successors or assigns.

This Purchase Agreement, together with the RULES AND REGULATIONS for Wailea Houseboat and the Wailea, LLC Operating Agreement, constitute the entire agreement between the parties, and supersedes any prior written or oral agreement(s).

Owner #1

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_ Zip: \_\_\_\_\_

Home Phone: (\_\_\_\_) \_\_\_\_\_

Work Phone: (\_\_\_\_) \_\_\_\_\_

Cell Phone: (\_\_\_\_) \_\_\_\_\_

Drivers Lic. # \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Boating Exp. (yrs.): \_\_\_\_\_

OWNER'S SIGNATURE: \_\_\_\_\_ Date: \_\_\_\_\_

Wailea, LLC: By \_\_\_\_\_ Date: \_\_\_\_\_

Its Managing Member

Houseboat Lake Powell

6995 S. Union Park Center, Suite 100

Salt Lake City, UT 84047

tel: 801-567-4221 fax: 801-567-4261

Owner #2 (if needed)

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_ Zip: \_\_\_\_\_

Home Phone: (\_\_\_\_) \_\_\_\_\_

Work Phone: (\_\_\_\_) \_\_\_\_\_

Cell Phone: (\_\_\_\_) \_\_\_\_\_

Drivers Lic. # \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Boating Exp. (yrs.): \_\_\_\_\_

OWNER'S SIGNATURE: \_\_\_\_\_ Date: \_\_\_\_\_

Wailea, LLC: By \_\_\_\_\_ Date: \_\_\_\_\_

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