

Agreement for Sale and Purchase of a 2022 Rayglass 3500 Legend

BoatCo R3500-11 Limited

Ownaship Limited

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Agreement dated 20 September 2021

Parties

- 1 **Ownaship Limited** of 34 Bonnie Brae Road, Meadowbank, Auckland, trading as 'Ownaship' ('Seller')
- 2 **BoatCo R3500-11 Limited** of 34 Bonnie Brae Road, Auckland, New Zealand ('Buyer')

Background

- A The Seller has agreed to purchase the Vessel and certain assets associated with the Vessel from the Third-Party Seller pursuant to the Head Agreement.
- B The Seller intends to on-sell the Vessel to the Buyer.
- C The Buyer wishes to purchase the Vessel on the terms and conditions set out in this Agreement.

Agreement

1 Interpretation

1.1 Definitions

In this Agreement unless the context otherwise requires:

'**Agreement**' means this agreement including the background recitals and Schedule as may be amended pursuant to clause 7.3;

'**Completion**' means completion of the sale and purchase of the Vessel pursuant to this Agreement;

'**Completion Date**' means the date that is five Working Days after the vessel is delivered by the Seller fully completed into the water at Auckland;

'**Condition Date**' means the date set out in the Schedule or such other date as the parties agree in writing;

'**Conditions Precedent**' means the condition contained in clause 3.1;

'**Delivery**' means delivery of the Vessel to the Buyer in accordance with clause 4.2;

'**Encumbrance**' includes any present or future mortgage (including a ship's mortgage), charge, hire purchase or chattel lease agreement, pledge or lien, hypothecation, security interest, retention of title claim, preferential right or any other encumbrance of whatever nature;

'**GST**' means goods and services tax payable under the Goods and Services Tax Act 1985;

'**Issue Rate**' means the rate at which the Shares are offered pursuant to the Offer;

'**Head Agreement**' means the agreement details in the Schedule pursuant to which the seller has agreed to purchase the Vessel from the Third-Party Seller;

'Management Agreement' means the management agreement between the Buyer and the Seller;

'Offer' means the offer of the Shares to be made to prospective investors by the Buyer;

'PDS' means the product disclosure statement relating to the Offer to be prepared by the Seller;

'Purchase Price' means the purchase price set out in the Schedule;

'Shares' means 6 ordinary shares in the capital of the Buyer;

'Third-Party Seller' means the seller under the Head Agreement;

'Warranties' means the warranties set out in clause 8.1;

'Working Day' means a day (other than Saturday or Sunday) on which registered banks are open for business in Auckland; and

'Vessel' means the Vessel set out in the Schedule together with certain assets associated with it, details of which are set out in the Schedule.

1.2 **General construction**

In interpreting this Agreement, the following rules must be applied unless the context otherwise requires:

- a **Currency:** References to currency and a reference to '\$' or 'dollar' are, unless otherwise stated, to New Zealand currency;
- b **Parties:** References to a party are to a party to this Agreement and include that party's executors, administrators, successors in title and permitted assigns;
- c **Periods of Time:** All periods of time include the day on which the period commences and also the day on which the period ends;
- d **Non-Working Day:** Any date which is not a Working Day, upon or by which anything is due to be done by any party, will be deemed to be a reference to the next Working Day;
- e **Joint Obligations:** All warranties, representations, indemnities, covenants, agreements and obligations given or entered into by more than one person will be deemed to have been given or entered into jointly and severally;
- f **Payment:** Any reference to or any obligation in this Agreement which requires payment of money will be a reference to, or deemed to include an obligation requiring, payment in immediately available cleared funds and requiring payment be made free and clear of all deductions or withholdings unless the deduction or withholding is required by law; and
- g **Number and gender:** Words importing the plural include the singular and vice versa and words importing one gender include the other genders.

2 Sale and Purchase of Vessel

2.1 Agreement

The Seller agrees to sell and the Buyer agrees to purchase the Vessel free from any Encumbrances on the terms and conditions set out in this Agreement.

2.2 Purchase Price

Subject to the provisions of clause 2.3, the Purchase Price shall be paid by one instalment of \$120,000 including GST and a final payment of \$690,000 including GST (comprising \$795,000 for the Vessel and \$15,000 for reimbursement of costs associated with the offer of Shares) on the Completion Date.

2.3 Issues of Shares

In the event that, on the Completion Date, there are Shares that have not been sold pursuant to the Offer ('**Unsold Shares**'), the Purchase Price shall be satisfied as follows:

- a an amount equal to the number of Shares that have been issued pursuant to the Offer multiplied by \$135,000 shall be paid by the Buyer to the Seller on the Completion Date; and
- b upon the issue of each of the remaining Unsold Shares, further amounts of \$135,000 shall be paid to the Seller (via the Buyer) within 5 Working Days of each issue by the eventual buyer of the Unsold Shares until such time as a total of 6 Shares have been issued and allotted and no Unsold Shares remain (at which point the Purchase Price shall have been met in full).

2.4 Buyer's Nominee

The Buyer shall have the right to nominate a third party to purchase the Vessel provided that the Buyer shall remain liable at all times for the obligations of such nominated party under this Agreement.

3 Conditions Precedent

3.1 Conditions

This Agreement is conditional upon completion of the Head Agreement.

3.2 Benefit of Conditions

The Condition Precedent in clause 3.1 has been inserted for the sole benefit of the Seller.

3.3 Termination

If the Condition Precedent has not been fulfilled or (to the extent that it is capable of waiver) waived by the Seller by the Condition Date, any party may by notice in writing to the other party at any time after the Condition Date terminate this Agreement. Upon such termination this Agreement will be of no effect, and any monies paid to the Seller on account of the Purchase Price must be refunded to the Buyer and, except as otherwise expressed or implied in this Agreement, no party will have any claim against any other party arising under or in connection with this Agreement.

4 Completion

4.1 Day and Place

Completion must take place on the Completion Date at the offices of the Seller.

4.2 Transfer of Vessel

On the Completion Date, against satisfaction of the Purchase Price in accordance with clauses 2.2 and 2.3, the Seller must (with effect from the close of business on the Completion Date) transfer the Vessel into the possession and control of the Buyer. In particular, the Seller must procure the delivery of:

- a the Vessel to the location specified in the Schedule;
- b a duly executed bill of sale or such other document or other assurance as may be required by the Buyer to transfer title in the Vessel to the Buyer;
- c a complete inventory for the Vessel (which will include the equipment listed in the Schedule);
- d original copies of the Vessel's registration and/or title documents (if any);
- e copies of all suppliers' warranties, operating manuals, literature for onboard systems and equipment in the Seller's possession; and
- f the Vessel's owner's manual.

5 Risk

5.1 Prior to Completion

The Vessel will be the sole risk of the Seller in all respects until Completion.

5.2 Damage Prior to Completion

In the event that prior to Completion the Vessel is lost, destroyed or damaged and such loss, destruction or damage has not been made good by repair or replacement by the Completion Date, then the Buyer may:

- a complete the purchase for the Purchase Price, less a sum equal to the diminution in value of the Vessel; or
- b cancel this Agreement by notice in writing to the Seller whereupon the Buyer will be entitled to the return of any moneys paid by the Buyer to the Seller on account of the Purchase Price, and no party shall have any right or claim against the other parties.

5.3 Insurance

The Seller must procure that the Vessel is fully insured until Completion and must:

- a if required by the Buyer provide to the Buyer, on request, a true copy of the insurance policy held;
- b if required by the Buyer, on satisfaction of the Condition Precedent, obtain an endorsement of the Buyer's interest under this Agreement on the insurance policy; and

- c not change any policy to reduce the insurance cover or otherwise alter the terms of cover to the possible detriment of the Buyer.

5.4 **Takeover of Policies**

The Buyer will not be required to take over any insurance policies held by the Seller or the Third-Party Seller on the Completion Date.

6 Clear Title

6.1 **Title**

The Seller must on Completion give to the Buyer clear title to the Vessel free from all Encumbrances of whatever nature and will on Completion remove all security interests registered against the Vessel on the Personal Property Securities Register and/or any other register under which security interests are registered against the Vessel.

7 General Provisions

7.1 **Entire Agreement**

To the maximum extent permitted by law, this Agreement contains all of the terms, representations and warranties made between the parties and supersedes all prior understandings, discussions, correspondence and agreements (whether written or oral) covering the subject matter of this Agreement.

7.2 **Further Assurances**

Each party will, at its own expense and when requested by another party, promptly sign and deliver, execute, procure, pass and do all such further documents, acts, matters, resolutions and things as may be necessary or desirable for effecting the transactions contemplated by this Agreement.

7.3 **Amendments**

No amendment to this Agreement will be effective unless it is in writing and signed by all the parties.

7.4 **Waiver**

Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this Agreement or under any of the documents delivered in connection with this Agreement by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this Agreement or other document. Any waiver or consent given by any party under this Agreement will only be effective and binding on that party if it is given or confirmed in writing by that party. No waiver of a breach of any term of this Agreement will operate as a waiver of any subsequent breach of that term or of a breach of any other term of this Agreement.

7.5 Non-Merger

The agreements, obligations, indemnities and warranties contained in this Agreement will, notwithstanding any rule to the contrary, not merge on completion of the transactions contemplated by it but will remain in full force until satisfied.

7.6 No Assignment

No party may assign or be relieved of its rights or obligations under this Agreement without the prior written consent of all parties.

7.7 Time of Essence

Time will be of the essence in the performance by any party of its obligations under this Agreement.

7.8 Notices

Any notice given pursuant to this Agreement must be in writing and (with the exception of email) signed by a person duly authorised by the sender. Any such notice will be deemed to be validly given if personally delivered, posted, or forwarded by facsimile transmission or email to the address of the party set out in the Schedule or to such other address as the party to be notified may designate by written notice given to all other parties.

7.9 Costs

Except as may be otherwise provided in this Agreement, each party shall bear its own costs in relation to the negotiation, preparation, execution and performance of this Agreement.

7.10 Choice of Jurisdiction and Law

This Agreement will be governed by and construed in accordance with the laws of New Zealand and the Shareholders submit to the non-exclusive jurisdiction of the New Zealand Courts.

8 Warranties

8.1 In addition to any rights available to the Buyer under this Agreement, upon the passing of the title in the vessel from the Seller to the Buyer under this Agreement, the Buyer shall be entitled to all Rayglass Boats Guarantees applicable to the Vessel, (subject to the terms of that Guarantee) to which the Seller would have otherwise been entitled.

Execution

Signed for and on behalf of **Ownaship Limited**
by its sole director in the presence of:



Ownaship Limited

Witness signature _____



Maria Taylor
Solicitor
Auckland

Signed for and behalf of **BoatCo R3500-11 Limited**
by its sole director in the presence of:



BoatCo R3500-11 Limited

Witness signature _____



Maria Taylor
Solicitor
Auckland

Schedule 1

Name of Vessel:	TBA
Description of Vessel:	2022 Rayglass 3500 Legend
Equipment being sold:	As per the attached specification sheet
Purchase Price:	\$810,000 including GST (comprising of \$795,000 for the vessel and \$15,000 for reimbursements of costs associated with the offer of Shares)
Place of Delivery:	Westhaven Auckland
Condition Date:	8 June 2022
Addresses for Notices:	Seller: Email: Simon@ownaship.co.nz Attention: Simon Barker Buyer: Email: Simon@ownaship.co.nz Attention: Simon Barker
Head Agreement	Agreement between the Third-Party Seller and the Seller dated 1 March 2021

Specification Sheet 2022 Rayglass 3500 Legend

Overall length	37ft	Toilet(s)	Electric (1)
Overall beam	3.85m	Shower(s)	Inside/Outside (2)
Displacement	TBA	Fridge/Freezer	Electric (1)
Engines(s)	Twin Mercury diesel Engines 270 HP	CD Stereo(s)	Yes
Fuel Capacity	600L (approx.)	BBQ	Stainless steel LPG
Water Capacity	400L (approx.)	Chart Plotter/Fish Finder	Simrad
Batteries	House + Start	Speed/Depth	Yes
Electric Capstan	Auto with remote operation	Compass	Yes
Trim Tabs	Yes	VHF	Yes
Hot Water	Yes	Safety Equipment	Life jackets, flares, EPIRB
Pressure Water	Yes	Galley Equipment	Yes
Cabins	2	Linen	Yes
Berths	6 (fold down table)		
Tender	Yes		
Tender motor	TBA		

Standard Features

Hull and Decks
Slimline hatches on foredeck
Stainless steel grab rails on Hard Top
Stainless steel bow rail
Stainless steel bow sprit and over bow roller
Stainless steel cleats
Rubber fender strip
Anchor locker
Auto capstan winch 20m chain plus warp

Transom

BBQ station
Closing transom door
Platform live bait tank

Cockpit

Teak
Large stowage hold
Locker
Saltwater washdown pump

Drainage system
Cockpit shower
Rear seat with folding back rest

Saloon

V Shaped lounge with table (converts to bed)
Overhead LED lights
Bi-fold entry door and folding galley door

Galley

Sink and mixer tap
12v electric fridge with freezer
4 burner gas cooker, grill and oven

Island workbench
Drawers port and starboard
LED overhead lighting

Helm Station

Captains chair
Steering wheel
Compass
VHF radio
Bluetooth stereo
Dash to fit electronics and instruments

Hard Top

Fully enclosed windscreen
Sliding sunroof (2)
Sliding windows
Upholstery hard top panels
Stereo speakers
Stainless steel grab rails port and starboard
Navigation lights
Aerials
3 pantograph wipers with fresh water wipers

Master Cabin

Twin berth walk in changing room
Queen size bed with mattress
Carpet flooring
Bulkhead lighting
Overhead hatch

Forward cabin

Double berth starboard side
Bulkhead lighting
Storage under berth
Carpet flooring
Overhead hatch

Toilet

Electric toilet with macerator and holding tank
Vanity cupboard with basin and mixer tap
Hot and cold pressure water

Bulkhead light
Toilet roll holder

Engine Room

Self draining engine hatch
Auto bilge pump
High Water alarm
House and start batteries
Shore power and battery charger
Hydraulic engine hatch lift
Twin Mercury diesel 270 HP engines
Shower
Hot and cold pressure water
Cupboards
Non-skid floor
Bulkhead light
Overhead hatch

Engine controls with full management instruments
USB power outlet
Trim tabs controls with indicator
Switches for wipers/washers, bilge pump, lights, gauges.
Auto anchoring

Extras

Blue underwater lights
Teak cockpit flooring
Diesel heater
2nd fridge under Captains chair
Sunlounger on bow
Inflatable dinghy
Outboard (TBA)
Dinghy davets
Bowthruster
Wifi booster
Safety equipment
Livebait tank
Solar Panels
Inverter