

AUCTION

MARINE VESSELS
& EQUIPMENT



THURSDAY
JUNE 7th
CHICAGO

INTERNET
STREAM



We are pleased to announce the formation of a major new auction company that will specialize in the sale exclusively of marine equipment. The company has been named Marine Auction Exchange LLC (MarEx).

We will conduct our first sale on Thursday, June 7th, 2007, in Chicago Illinois.

We will offer for sale marine vessels / equipment consisting of oil barges, hopper barges, tugboats, towboats and ferry boats, and a dry dock.

The auction will be carried live via Internet Streaming Video, so that you can view the auction and bid either on site, telephone or by internet.

If you would like to offer some of your vessels for consignment, please contact us

Telephone - 800 530-4561

Email - info@marineauctionexchange.com

Please visit our web site at

www.marineauctionexchange.com



Vessel Consignment

If you would like to offer some of your vessels for consignment, please complete the attached form.

You may email your information to info@marineauctionexchange.com

Please visit our web site at www.marineauctionexchange.com

Or mail your response to:

**Marine Auction Exchange LLC.
13155 Grant Road
Lemont Illinois, 60429
800 530-4561
Fax: 630 477-0324**



Vessel Consignment Terms and Conditions

If you would like to list for auction sale your vessels please review and acknowledge the following auction sale terms and conditions:

Date of auction – June 7, 2007

Location of auction – Hannah Marine Terminal. 13155 Grant Road, Lemont Illinois 90435

Time of auction – 1:00pm

Streaming Video – Auction will be carried live on the Internet. Buyers can bid on site, on the phone or on the Internet. Buyers and interested parties will be able to watch the auction live on their computers.

All equipment offered for sale will be *subject to prior sale*. Vessel owners will set a *confidential* realistic minimum sale price with the auction company at listing.

Owner's sale costs –

Commission – 5% of total sale price to auction company if vessel is sold.

Example:

Sale price	= \$ 100,000
5% Commission	= \$ 5,000

Marketing Budget Fee –

A pari-passu participation in the total marketing budget.

Example:

Total Auction Marketing Budget = \$ 80,000

Total equipment value offered
for auction sale = \$ 10,000,000

Sellers total equipment value
offered for sale = \$ 1,000,000

Sellers Marketing fee = 10% or \$ 10,000

Seller has the right to reject any offer that is not satisfactory to Seller. If any Sellers' vessels are sold pre-auction after vessels have been consigned, the auction company will receive a commission of 2%. Many times property will sell pre-auction because the buyer does not want to risk the price or loss possibility. The Auction Company shall have an exclusive 60 days following the auction to market the any unsold consignments, on behalf of the Seller under the auction terms and conditions.

Page Two - Vessel Consignment Terms

Additional Auction Information

Buyers Premium = 5% payable to auction company upon completion of sale

Participating Brokerage Commission - If a broker pre-registers his clients according to the auction rules he will receive a commission split of 2%.

Vessel Inspections – Sellers will coordinate inspection tours of their equipment directly with the proposed buyers. Auction company will help coordinate tours and due diligence information with Seller.

Due Diligence Information – Some information will be posted on the Internet. Blue prints and other surveys etc. can be offered to serious buyers for a fee. Auction Company will coordinate this with the Sellers.

Marine Auction Exchange LLC.

13155 Grant Road

Lemont Illinois, 60439

Phone : 800-530-4561

Fax: 630 477-0324

www.marineauctionexchange.com



VESSEL CONSIGNMENT FORM

Vessel Name: _____
Classification: _____
Official Number: _____
Where Built: _____
Year-Rebuilt: _____

Dimensions

Length: _____ Breadth: _____ Depth: _____
Deadweight Tons: _____ Net Tonnage: _____

Light Draft: _____
Loaded Draft: _____
Tanks/Capacity: _____
Deck / Hopper Capacity: _____

Covers: _____
Winches: _____
Movable Skegs: _____

Generator KW/Engine: _____
Certifications: _____
Service Areas: _____

Consigner Name: _____
Consigner Address: _____
Email: _____
Telephone: _____
Fax: _____
Other: _____

*** Attach Photo ***

ADDITIONAL CONFIDENTIAL INFORMATION

Appraised value: _____
Owner suggested minimum: _____



AUCTION CONSIGNMENT CONTRACT

THIS AGREEMENT, made and entered into this day of _____, 2007, by MARINE AUCTION EXCHANGE, LLC referred to as AUCTIONEER and _____ referred to as SELLER, WITNESSETH: WHEREAS, SELLER is the owner of certain consigned property (vessels) described below, or in the list attached hereto and made a part hereof, which consigned property SELLER desires to sell, and WHEREAS, SELLER wishes to employ the auction services of AUCTIONEER to effect the sale of said consigned property. NOW, THEREFORE, in consideration of the mutual promises contained herein, IT IS AGREED:

- 1. AUCTIONEER will sell said consigned vessels at a public offering auction on June 7, 2007 or on such other date that may be substituted by mutual agreement. Description of consigned Equipment/Vessels:**

The auction is to be held at: Hannah Marine Terminal, located in Lemont Illinois, @ 1:00 PM.

- 2. AUCTIONEER hereby agrees to use his professional skills, knowledge and experience to the best advantage of both parties in preparing for and conducting the sale.**
- 3. AUCTIONEER shall otherwise advertise the auction sale of the SELLERS consigned property, as per agreement between the parties.**
- 4. All prospective buyers, agents, auction personnel, etc shall acknowledge and sign an Indemnity, Defense, Hold Harmless & Insurance Agreement prior to boarding and inspecting all vessels.**
- 5. The AUCTIONEER shall represent and conduct the auction sale as an auction WITH RESERVE, unless otherwise noted herein; however. AUCTIONEER does not guarantee a sale and AUCTIONEER is not responsible in the event of non-delivery of consigned vessels by SELLER to buyer, or in the event the consigned vessels are subsequently determined to be other than as represented by SELLER.**
- 6. AUCTIONEER will collect all required deposits to be placed in an Escrow Bank Account on behalf of the Buyer. Auctioneer shall receive a Selling fee of 5% of total sales price. A Buyer's Premium, additional auction fee, of 5% including, any participating Boat Broker's fee, representing successful client(s) who purchase and close escrow on a vessel(s) at auction, will be added to the successful high bid resulting in the Total Purchase Price on all equipment and vessels sold at auction.**

In the event the SELLER successfully sells consignment vessels during the auction-marketing period, and removes the item(s) from the auction, a two (2) percent fee shall be paid the AUCTIONEER. The AUCTIONEER shall have an exclusive 60 days following the auction to market the any unsold consignments, on behalf of the SELLER under the auction terms and conditions.

7. AUCTIONEER shall furnish to SELLER a list of SELLER’S consigned vessels and or equipment at time of settlement, showing the full and true amounts of the completion of sales prices received therefore.

8. AUCTIONEER shall notify SELLER of any consigned vessels remaining unsold at the completion of the sale, and thereafter, the care and custody of said consigned property continue to be the responsibility of SELLER.

9. SELLER has the right to reject any offer that is not satisfactory to SELLER.

10. SELLER warrants that he is the lawful owner of all vessels and equipment and shall furnish all titles, bills of sale and sign the necessary instruments conveying the vessels, free from all encumbrances, except as follows: (if none, write NONE)

11. This agreement DuPage County, Illinois and in any action, special proceeding or any other proceeding that may be brought arising out, in connection with or by reason of, this agreement, the laws of the State of Illinois shall be applicable, without regard to the jurisdiction in which any such action may be instituted. Failure to enforce any of the provisions of this agreement shall not be construed as a waiver to those, or any other, provisions

12. This written agreement contains the entire and only agreement between the parties and is a contract of auction only. SELLER agrees to indemnify and hold harmless AUCTIONEER, and warrants to protect it from any and all claims whatsoever, arising from this auction, which are not the fault of the AUCTIONEER. Any representations, promises, guarantees or conditions not incorporated in this agreement shall not be binding upon either party.

13. ADDITIONAL PROVISIONS: SELLER (S) shall contribute toward the Advertising / Promotion Budget on a proportionate share based on Consignors Reserve Values. The estimated budget is \$80,000.⁰⁰.

SELLER: _____

Address: _____

Authorized Signature: _____ Dated: _____

AUCTIONEER: MARINE AUCTION EXCHANGE, LLC.
13155 Grant Road
Lemont, Illinois 60439
800-530-4561
Fax: 630 477-0324

Authorized Signature: _____ Dated: _____



AUCTION ABSENTEE BID FORM

Date: _____

Name of Bidder:

Contact Person:

Address:

Telephone Number: _____

Fax Number: _____ **e-mail address:** _____

The undersigned (“Bidder”) hereby submits a bid (“Bid”) to Seller to purchase: _____ on the following terms and conditions:

- 1. Purchase Price (the “Purchase Price”) is \$ _____**
- 2.**

Note: Bidder acknowledges and understands that a FIVE percent (5%) Buyer’s premium will be added to the Purchase Price, to be paid by Buyer at closing.

- 3. State the name and address of the Cooperating Broker (if none, write “none”).**

Name:

Address:

This Bid is made pursuant to the Terms and Conditions of Sale stated in the Due Diligence Package as amended and supplemented. Bidder is submitting, with this bid all of the other documents required under the Terms and Conditions.

Page Two - Auction Absentee Bid Form

IN WITNESS WHEREOF, the undersigned Bidder has executed this Bid on the date set forth above.

Name of Bidder (Please print or type) _____ **Date** _____

By: _____

Name: _____

Title: _____

*****Absentee Bid Forms must be received by Marine Auction Exchange, 48 hours prior to the auction • Fax Number: 630-477-0324 Phone : 800-530-4561***

www.marineauctionexchange.com

Marine Auction Exchange LLC.

13155 Grant Road

Lemont Illinois, 60439



AUCTION BROKER PARTICIPATION FORM

Date: _____

Name of Bidder:

Address: _____

Broker Representation:

Address:

Telephone Number: _____

Fax Number: _____ **e-mail address:** _____

The undersigned (“Broker”) has acknowledged the Auction Terms and Conditions for the following event scheduled for:

**Broker representing his/her Client shall be paid the following fee: 2% at closing.
Marine Auction Exchange must receive broker Registration, 48 hours prior to the auction.**

Fax Number: 630-477-0324 • Phone : 800-530-4561

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13155 Grant Road

Lemont Illinois, 60439



BUYER AUCTION REGISTRATION FORM

Name: _____

Company Name (if any) _____

Address: _____

City: _____ **State:** _____ **Zip:** _____

E-mail: _____

Day Phone: _____ **Evening Phone:** _____

Fax #: _____ **Cell Phone:** _____

Deposit Type: _____

I have read the Terms & Conditions of the Auction and agree to them.

Comments: _____

All vessels and equipment is sold AS-IS WHERE-IS with no warranty expressed or implied except to giving merchantability of the Bill of Sale.

Bill of Sale will be transferred subject to restrictions of record, free and clear of any liens, back taxes or encumbrances.

Signed: _____

Signed: _____

Date: _____

My/Our deposit of: \$ _____ has been paid and I/We understand and agree, Auctioneer, as part of the deposit will retain it towards the purchase price, ONLY if I/We are the high bidder(s) and Seller confirms the bid.

Form of deposit: _____

Bidder Number: _____



AUCTION TERMS & CONDITIONS

- 1. REGISTRATION:** All prospective buyers **MUST** register in order to bid at the auction.
- 2. PURCHASE AGREEMENT:** The successful buyer shall sign a Vessel Purchase Contract and Receipt and wire funds up to 10% of the total contract price to Marine Auction Exchange trust account as earnest money. If for any reason, the buyer(s) are unable to complete the transaction, the Earnest Money will be forfeited. Final settlement shall be on or before July 15, 2007.
- 3. INSPECTION:** Previewing and inspection of is *essential*. All Boats are being sold "AS IS – WHERE IS".
- 4. SELLER'S & AUCTIONEER'S DISCLAIMER:** All announcements made by the auctioneer shall take precedence over any previously written material or oral statements made by auctioneer. Conduct of the auction, increments of the bidding, duration of the auction and decisions as to the high bidder will be at the sole discretion of the auctioneer. ALL information is subject to the inspection and verification by all parties relying on it. **NO GUARANTEE, WARRANTY OR REPRESENTATION, EXPRESSED OR IMPLIED IS GIVEN ON THE INFORMATION CONTAINED IN THE BROCHURE OR DUE DILIGENCE INFORMATION.** The Seller and their agents expressly disclaim any and all liabilities, which may be based on such information, errors therein or omissions therefrom. **ONLY** such representation and warranties as may be set forth in a definitive Vessel Purchase Contract between Seller and Buyer shall have any legal effect. Seller reserves the right of prior disposal of the boats.
- 5. BUYER PREMIUM:** Five (5%) will be added to the successful high bid. The Buyer Premium (Fee) is refundable if SELLER cannot deliver clear and marketable title to the boat, at close of escrow through no fault of the Buyer.
- 6. ABSENTEE BIDS:** Individuals unable to attend the auction may complete an Absentee Bid Form, authorizing the auctioneer to bid on their behalf, up to a specific amount. Or, register and bid on the Internet: www.marineauctionexchange.com
- 7. BROKER PARTICIPATION:** Boat Brokers are encouraged to participate in the Auction process and register their respective clients. Contact the Auctioneer for Registration Forms. **NO** oral registrations will be accepted!