

CONDITIONS OF SALE

1. In these conditions of sale where the context admits:

the **Purchaser** means any person or persons to be named in the annexed Memorandum of Contract and Purchase Agreement as the purchaser of the Yacht and includes the personal representatives of any such person or persons; and

Seller means the person from time to time acting in the capacity of Director of the Virgin Islands Shipping Registry as Receiver of Wrecks under the Merchant Shipping Act, 2001 or the Financial Secretary of the Ministry of Finance.

2. Notwithstanding any provision of these conditions or any public or other notice advertising the sale of the Yacht or any agreement whether verbal or in writing, the Seller shall not be bound to accept any bid nor to sell to the highest or any bidder at the said auction and the said auction may be cancelled or postponed without notice at the discretion of the Seller and in any such event the Seller or its servants or agents shall not be liable for any costs or incidental expenses incurred directly or indirectly by any person as a result of such non-acceptance, refusal to sell, cancellation or postponement.
3. The Seller reserves the right to regulate the bidding and to refuse to accept any bid or bids (without giving any reason for its refusal) in its sole absolute discretion. If any dispute shall arise as to the bidding the Seller may without prejudice to its powers given by any other of these conditions put up the Yacht again at the last undisputed bid or otherwise as it shall think appropriate and in any case the decision of the Seller shall settle any dispute whatsoever which shall arise in connection with the bidding or the conduct of the auction in any way whatsoever.
4. The Seller reserves the right to withdraw the Yacht at any time before the same is actually sold.
5. By participation in the auction, the Purchaser represents and warrants to the Seller on which the Seller shall be entitled to rely, that the Purchaser has the means to and shall immediately upon consummation of the purchase of the Yacht, immediately take possession of the same and remove

it from its current location to another location. Immediately upon the completion of the auction, the Purchaser shall (i) pay to the Seller by a Bankers draft, the amount of the bid being the purchase price and the bond amount (ii) sign a Memorandum of Contract and Purchase Agreement in the form annexed hereto for the completion of the purchase and (iii) provide the Seller with proof acceptable to the Seller of the arrangements made by the Purchaser for the immediate removal the Yacht from its current location to one approved by the Seller, upon the removal of which the Seller shall deliver a bill of sale transferring ownership of the Yacht to the Purchaser.

6. All payments to be made pursuant to these conditions by the Purchaser may be refused unless tendered by a bankers draft drawn on a local bank. In the event of such refusal the sale shall not be enforceable by the Purchaser unless the Purchaser shall make such payment in the manner prescribed hereby within twenty-four hours or such lesser period notified to the Purchaser by the Seller, of the said refusal.
7. If the Purchaser shall fail to comply with any of the conditions set out in Clause 5 above or if any payment is refused pursuant to Condition 6 hereof and no payment is made within the stipulated period then in any such case without prejudice to the Seller's rights against the Purchaser pursuant to the Conditions herein or otherwise howsoever the Yacht may be retained resold or otherwise disposed of or dealt with in any manner the Seller shall think fit, and without prejudice to the generality of the foregoing the Seller may, but shall not be obliged to resell the Yacht to any person whose bid in excess of the commencement price at the auction was accepted by the Seller provided that priority is given among such persons if more than one to the highest bidder save that if any such person cannot be found after making such enquiries as the Seller shall in its sole opinion in the circumstances think reasonable or shall have left the island of Tortola the Yacht may be resold as if that person had not bid. The person to whom the Yacht is resold pursuant to this Condition shall be substituted as the Purchaser in place of the original Purchaser in default and the substituted Purchaser shall forthwith comply with these conditions as if his bid were the highest approved bid, Provided that nothing in this Condition shall render the substituted Purchaser liable to the Seller in the place of the original Purchaser in respect of any default by the original Purchaser.
8. If from any cause whatsoever other than the wilful default of the Seller the completion of the purchase shall be delayed beyond the relevant date as provided by Condition 4 the Purchaser shall

pay interest on the balance of the purchase monies at the rate of 12 1/2 per cent from the date until the date of actual payment thereof and shall not be entitled to any compensation whatsoever for the Seller's delay or otherwise. This Condition is without prejudice to any right or remedy of the Seller reserved by some or any of the other conditions herein.

9. The Yacht is being sold *as is* in its existing condition and no representations or warranties are made or given in respect of the Yacht as to seaworthiness, fitness for any purpose or otherwise in any respect.
10. The Yacht shall be at the sole risk of the Purchaser as from the date of the auction as regards any risk whatsoever.
11. Upon satisfaction by the Purchaser of the conditions of this agreement the Seller will execute a bill of sale in respect of the Yacht to the Purchaser which will be delivered to the Purchaser. All stamp duty or fees whatsoever shall be paid by the Purchaser.
12. In the event that the Purchaser shall fail to comply with or observe any of the foregoing stipulations or provisions the Seller shall be entitled to settle such reasonable costs as are incurred by the Seller to sell the Yacht, from any funds of the Purchaser in its possession from time to time which amounts shall be deemed forfeited to the Seller who may without tendering any assurance and without notice resell the Yacht by public auction or private contract and subject to such stipulations and conditions as the Seller may think fit and any deficiency in price which may result on and all expenses attending a resale or attempted resale shall be made good and paid by the defaulting Purchaser and shall be recoverable by the Seller as liquidated damages. Any increase in price upon resale shall belong to the Seller.
13. In these Conditions where the context so requires the masculine gender shall be deemed to include the feminine and neuter genders and vice versa and the singular shall be deemed to include the plural and vice versa.