

ATTACHMENT A – RULES FOR SALE OF SHIP

AUCTION REGULATIONS

Attorney Daniela De Rosa, with office at Via Vigliena 2, Rome, the receiver in bankruptcy no. 19/15

Privilege Yard Spa, with headquarters in Civitavecchia, La Mattonara district – Port Area

- in light of articles 104 ter, 105, and 107 of the Italian Bankruptcy Law (B.L.)
- in light of approval of the supplement to the liquidation program by the Committee of Creditors
- in light of the order by the Bankruptcy Judge pursuant to Art. 104 ter par. 9 B.L. of March 21, 2017

WHEREAS

the receivership intends to

SELL

the following asset:

Luxury ship for under 36 passengers under construction, named *Privilege One P430*, with steel hull, listed under no. 2/2008 of the Registry of Ships Under Construction at the Harbormaster's Office of the Port of Civitavecchia, LOA about 125.30 m, BOC (width) 18.32 m, construction height 7.50 m, GTP (provisional gross tonnage) about 7500 GT; keel laying: Civitavecchia at facility located in the Port Area, La Mattonara district, with assets and equipment intended for set-up on board pursuant to the expert report by Prof. Dario Boote,

in accordance with the following

CONDITIONS

A.1) Except for the bankrupt company, any interested party who registers may participate in the electronic auction at www.gobid.it.

A.2) By participating in the auction, participants recognize that this sale is governed by the Italian

Bankruptcy Law, and they must comply with the conditions set by the receiver through these regulations, published online on the Platform.

The offeror is not exempt from performing any searches and examinations with the competent offices and anything else necessary to participate in the auction.

A.3) The auction will take place as follows:

IRREVOCABLE OFFER TO PURCHASE – Procedure for execution

The combined actions of payment of the security deposit, formal registration for the auction (with express acceptance of the general and specific conditions of sale published online on the Platform), and the user's submission of all supporting documents requested, as specified in the conditions of sale published online, will be considered the equivalent of an irrevocable offer to purchase at the auction starting price for each sale, and will itself constitute a binding obligation to purchase by the user, formalized by the Selling Agent's online offer placed on behalf of the bidder.

If there are multiple participants who have formalized their irrevocable offer to purchase, according to the procedures described above, and none of the bidders makes a counter-offer on the Platform, the highest bidder, and thus the provisional winner, will be the party who is the first in time:

- to complete the aforementioned procedure.

The Selling Agent will, using any method, inform all participants whether or not they are the highest bidder, when the above-mentioned irrevocable offer to purchase is formalized.

The deed of sale will be concluded before notary Andrea Panno at Via Tagliamento 14, Rome, with the bidder who presented the highest bid for the lot, or if there have not been any counterbids, with the bidder who first formalized an irrevocable offer to purchase at the auction starting price, according to the procedure specified above.

Extra time

The system of extra time will be used to maximize lot sales figures, so that if a user makes a bid on a lot within 5 minutes after the end of the auction, it will be extended for another 5 minutes from the last bid received, to allow to other purchasers to raise their bids. Extra time will continue to be applied until **5 minutes after** the time of highest bid.

Provisional confirmations of award

At the end of every auction process, the winner will be sent a provisional communication of award pursuant to Art. 107 B.L., based on which said winner will be required to make payments within the term set out by Art. A.7).

The report of provisional awarding will be written by Notary Dott. Andrea Panno and subordinate to the condition suspension of the payment of the price.

A.4) The offering price may be no less than €16,000,000.00 (sixteen million euros). To be considered, bids may be no less than €13,000,000.00.

In order to present an offer not lower than € 13.000.000,00 interested subjects have to request via mail to the Agent offices the specific form which will have to be returned, with the documents indicated in it and stated in the specific conditions of sale published on the Platform, to the mail address gobid@pec.it within and not later than 4.8.2017 at 15.00 (italian time). The form have to be sent from the same email address used for registration to gobid.it platform.

In case at the deadline of 4.8.2017 at 15:00 bids for € 16.000.000,00 will not be received but irrevocable purchase offers higher than € 13.000.000,00 will be formulated, the Procedure will proceed as follows:

- in case of only one valid offer, the lot will be awarded to the only one bidder.
- in case of more than one offer, the Agent will promptly inform via mail the bidders about the opening of an auction starting on the basis of the highest price offered which will take place from 08:00 (Italian time)

of 10.8.2017 until 15.00 (Italian time) of 11.8.2017. The sale will take place electronically on the gobid.it platform.

- For participation, the bidders who will have indicated a price lower than the new auction starting price will have to proceed for deposit integration before 12.00 (Italian time) of 9.8.2017 with the modes indicated at the following point A.5).

Any taxes required by law must be added to the award price, as well as the Buyer's Premium (5% of the final award price) to the Selling Agent.

A.5) **The offer is irrevocable** and must be accompanied by a security deposit (interest-free) and by a down payment on the Buyer's Premium, to be made through two bank transfers as follows:

- the first, as a deposit, for 5% of the starting price, made out to "Bankruptcy 19/15 Privilege Yard Spa" using the following bank information: IBAN IT 37C02008 05340 000104417571 bic/swift: UNCRITM1B50

- the second, as an advance on the Buyer's Premium, for 1% of the starting price, made out to GOBID INTERNATIONAL AUCTION GROUP S.R.L. using the following bank information: IBAN: IT 43 K 01030 21100 000000414486 BIC/SWIFT: PASCITM1K07

A.6) Bidders who are not awarded the contract will be refunded the sums they paid as a deposit and as an advance on the Buyer's Premium.

A.7) Taken into account of the holiday period, the balance must be paid when the deed of sale is signed, which must occur **within 30.10.2017** at the office of notary Andrea Panno at Via Tagliamento 14, Rome. The balance of the Buyer's Premium must be paid directly to the Selling Agent within the same term.

The above term must be considered mandatory and may not be extended, or else the security deposit and the advance on the Buyer's Premium will be forfeited.

A.8) All notary expenses and fees, to be agreed with the professional, including taxes, will be borne by the

awardee, along with cancellations of registrations, recordings, attachments, mortgages, and any other type of lien on the assets.

The receivership will be responsible for asking the Bankruptcy Judge for an order canceling all existing adverse recordings pursuant to Art. 108, paragraph 2 B.L.

A.9) The awardee is also responsible for all expenses necessary to transfer the ship, including utilization of the shipyard or any portion of it for work to ensure ship safety or expenses necessary to make it transportable (including but not limited to removal of scaffolding, internal fencing of a portion of the shipyard, construction of a screed to access the dock, etc.). The awardee is also responsible for all administrative expenses required in order to obtain the necessary permits from the competent authorities.

A.10) All documents regarding the outcome of the procedure will be filed with the clerk of the Court of Civitavecchia, and the receiver will inform the Bankruptcy Judge and Committee of Creditors.

A.11) If the sums due are not paid within the above terms and/or if the awardee refuses to conclude the final contract, the contract will be declared canceled, the security deposit will be confiscated by the proceeding, and the advance on the Buyer's Premium will be confiscated by the Selling Agent.

In this case, the award will be assigned to the next highest bidder who completes the procedure described in point A.3).

If there are no additional bidders, the lot related to the unmade payment will go back on sale, according to the procedures established by the receivership.

A.12) The assets are sold as seen and approved, as is, with no guarantee of good title or lack of defects, with a discharge of all liability for any burdens, encumbrances, or third party rights that could be asserted against said assets.

A.13) Due to the judicial nature of the sale, it cannot be challenged and it may not result in any



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compensation, termination, indemnification, damages, or reduction of price.

The Receiver

Attorney Daniela De Rosa

In case of insurgency of any controversy related to the interpretation of this document translated in english, it will be applied the Italian language version of such text.



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