

GUERNSEY'S

DATE: October 26, 2005

REFERENCE: John F. Kennedy

CONSIGNMENT AGREEMENT BETWEEN:

SELLER: United States Marshal's Service

ADDRESS: 1 Courthouse Way, Suite I-500 AND
Boston, Massachusetts 02210

TELEPHONE: 617-748-2525 (Mary Magno)

GUERNSEY'S

A Division of Barlan Enterprises, Ltd.

108 East 73rd Street

New York, New York 10021

212-794-2280 FAX: 212-744-3638

Thank you for consigning your property to Guernsey's. This contract confirms our agreement under which the sailboat known as "Flash II", formerly owned by John F. Kennedy, will be offered by us as your agent for sale at unreserved public auction subject to provisions as set forth below and Guernsey's standard Terms and Conditions of Sale in effect at the time of the auction. In the event of a conflict between the Terms and Conditions of Sale, on the one hand, and this Agreement, on the other hand, the terms of this Agreement shall control. From time to time, we will refer to you as "Consignor."

1. **Guernsey's Responsibility.** We shall be responsible for any and all costs incurred in connection with the pre-auction and auction activities including the promotion of same, production of the auction catalogue, advertising, security, employment of auction site personnel, and obtaining the required permits for auction, display, as well as other expenses reasonably required to conduct the auction.

2. **The Auction.** Guernsey's shall have absolute discretion as to a) the place and date of the sale, b) the manner in which the sale is conducted, including the Terms and Conditions of Sale then in effect, and any determination to waive all or any portion thereof, c) consulting any expert, d) the description of the Property in its catalogue and other descriptions as we believe appropriate.

3. **Commission.** For its services, Guernsey's will receive and retain a commission from the proceeds of the sale for each lot sold. The commission due to Guernsey's will be calculated on the following sliding scale: 16% commission of a successful high bid up to and including \$500,000; 15% commission of a successful high bid between \$500,001 and \$600,000; 14% commission of a successful high bid between \$600,001 and \$700,000; 13% of a successful high bid between \$700,001 and \$800,000; 12% of a successful high bid between \$801,000 and \$900,000; 11% of a successful high bid between \$900,001 and \$1,000,000; and 10% of a successful high bid of \$1,000,001 or more. You are aware that the buyer will be paying an additional premium and that premium in no way affects the amount due to us from you or the net amount payable to you from us after deducting our commission.

4. **Settlement/Non-payment.** Thirty-five days after the sale, we will mail you the net proceeds (gross proceeds less our commission and buyer's premium) from the sale of the property, provided that we have received and collected payment in full from the buyer, unless the buyer has notified us of intention to rescind the sale or we have received notice of any other claim which would bear upon the validity of the sale, or have for any reason refunded such proceeds to the buyer prior to the expiration of such thirty-five days.

In the event of non-payment by the buyer, Guernsey's, in its sole discretion, as Consignor's agent or on our own behalf, reserves the right to cancel the sale and return the Property to you, or enforce payment by the buyer or take any other action permitted by law. However, Guernsey's shall have no obligation to enforce payment by the buyer. Guernsey's shall not, under any circumstances, be liable for any consequential damages to you as a result of non-payment by the buyer.

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5. Expenses. You agree to bear the expenses of a) packing and shipping to and from our premises, and b) other services and such additional costs and expenses not set forth above as may be agreed upon.

6. Packing and Transport. While we may recommend a carrier upon request, we accept no responsibility for that carrier's failure to comply with its agreement with you, and packing and transport of the Property to and from the auction will be at your expense and risk. Guernsey's shall have no liability whatsoever to Consignor in connection therewith, even when Guernsey's has recommended a carrier.

7. Insurance. (a) The Property will be insured by us from time of receipt until it ceases to be in our custody for an amount of \$800,000.00, at no additional expense to the Consignor.

In the event that there is damage to or loss of any portion of the Property, Guernsey's shall receive a commission of any insurance proceeds for the items consigned, equal to that which would have been earned had the Property been sold.

8. Limits of Liability. If insured by us, Guernsey's liability to you resulting from loss of or damage to any Property shall not exceed the insurance coverage of such Property as provided in paragraph 7 of this agreement, less our commission, and shall be limited to the time period that said Property is in our custody. While we undertake to exercise reasonable care in handling the Property, we shall not be responsible for any damage to any Property caused by changes in humidity or temperature; inherent conditions or defects; nor shall we be responsible for any damage to frames, display cases or glass; or for damage caused by restorers, framers or other independent contractors employed with your consent. If insured by you Guernsey's shall have no liability to Consignor whatsoever resulting from loss of or damage to any Property.

9. Under no circumstances may you, your principals, agents, nor any representative of you or your principal bid for your Property. In the event that you breach any terms of this paragraph and you and/or your agent or representative becomes the successful bidder on your Property, then you shall pay to us a commission of 16% of the successful bid price plus the appropriate buyer's premium.

10. Representations, Warranties and Indemnification. You represent and warrant that you have title to the Property and the right to consign the Property for sale by us and that the Property is and will until the completion of the sale by us be free and clear of all liens, claims, encumbrances of others of whatever nature and that good title and right of possession of the Property will pass to the buyer free of all such liens, claims, encumbrances of whatever nature, and that there are not and, until the completion of the sale by us, there will not be any restriction or claims against us prohibiting or restricting our right to offer the Property at auction or to photograph, reproduce photographs or exhibit the Property for sale. Consignor grants to Guernsey's the right to illustrate and photograph the Property and to use such photographs, illustrations or images at any time before or after the sale and for such purposes as Guernsey's deems appropriate. Consignor agrees that all catalogues and other photographs, illustrations and descriptions of the Property created by or for Guernsey's are not "works made for hire" on behalf of Consignor under copyright law, and that Guernsey's shall own the exclusive copyright and all other rights relating to all such photographs, illustrations and descriptions.

You further represent the authenticity, history, and condition of the Property, as set forth on the annexed inventory hereof or in any documentation supplied by you to us. Consignor represents and warrants to Guernsey's that (a) Consignor has no reason to believe that any lot of Property is not authentic or is counterfeit, (b) the Property is not "confiscated Property" within the meaning of any United States federal or state laws, (c) Consignor's consignment to and authorization of Guernsey's to sell the Property is in full compliance with all United States federal and state laws, and (d) the exportation, if any, of the Property from any foreign country has been in full conformity with the laws of such country and the importation of the Property into the United States has been or will be in full conformity with the laws of the United States.

You acknowledge that the representations and warranties herein are for the benefit of Guernsey's and buyers of the Property and that we are relying on the foregoing representations and warranties in accepting this consignment. You agree that such representations and warranties are of a continuing nature and shall survive the completion of the transactions contemplated by this agreement. You agree to notify us promptly in writing of any event or circumstances that may cause the foregoing representation and warranties to be in doubt, false, inaccurate or violated in any way.

If you are acting as an agent for an undisclosed principal, you and principal, jointly and severally, assume all obligations in this Agreement to the same extent as if you were acting as principal.

You hereby agree to indemnify us and hold us harmless from and against any and all claims, damage, loss or expense, inclusive of attorneys' fees, which we may incur by reason of your breach or alleged breach of any of your obligations, warranties or representations herein. In the event of any such claims by third parties arising out of your breach of or alleged breach of your obligations, warranties or representations herein, you shall be obligated to still pay Guernsey's the full commission which would have been earned from the sale of such Property, whether or not the Property has yet been offered, sold or returned to Guernsey's, based upon the sale price, if sold, and the high estimate, if unsold.

The Property is being sold "as is", where is, with no guarantee or warranties intended or implied.

11. Estimates, Property Descriptions. We are not responsible for any errors or omissions in the catalogue or other descriptions of the Property, and we make no guarantees, representations or warranties whatsoever to you with respect to the Property, its authenticity, condition, value, selling price or otherwise. Our presale estimates, subject to revision by us at our sole discretion, are intended as a guide for prospective bidders only. We make no representation or warranty, written or oral, of the anticipated selling price or value of any Property and no estimate may be relied upon as a prediction of the actual selling price.

12. Rescission. Guernsey's is authorized, as your agent, to rescind the sale of any Property at any time if, in our sole judgement, we determine that the offering for sale of any Property has subjected or may subject Guernsey's and/or you to any liability, including any liability under warranty of authenticity or title. In such event, we are further authorized to refund or credit to the buyer the purchase price of such returned Property rather than remit the net proceeds to you. If Guernsey's has already remitted to you any proceeds of the rescinded sale, you shall pay us on request an amount equal to the remitted proceeds plus our expenses incurred in the connection with the rescinded sale and any other amount you owe us, inclusive of attorneys' fees. In the event of rescission for reasons set forth in paragraphs 12 (a), (b) or (c), you will be liable to us for all buyer premiums and seller commissions which we would otherwise have earned.

13. Unsold Property. Any Property remaining unsold for any reason after the auction, and not being kept for sale, must be picked up by you within ten days after notice requiring you to collect it.

14. Default. In the event of the default of any of the terms herein, by either party hereto, the other party reserves any and all rights that party has at law or equity in addition to the rights herein specified. The prevailing party shall be entitled to reasonable attorneys' fees, and all costs incurred in the enforcement of this agreement.

15. Entire Agreement. All prior negotiation, representations, contracts or agreements, if any, between the parties hereto relating to the Property consigned, are hereby merged into this agreement and this agreement is the complete, entire and sole agreement between the parties. No modification, alteration, construction, amendment or rescission of or to this agreement shall be effective or binding unless in writing and executed by duly authorized officer of Guernsey's and you. This agreement is binding upon your heirs, executors, beneficiaries, successors, and assigns. However, you may not assign this agreement without prior written consent.

16. Controlling law. This agreement is entered into pursuant to New York law, and shall be governed by and construed in accordance with the laws of New York State.

17. Disputes. Any dispute arising out of a breach or an alleged breach of this agreement shall be brought exclusively in the courts of the State of New York. Venue shall be within the County of New York. Any defense of lack of personal or subject matter jurisdiction is waived by the parties hereto and neither party shall be liable to the other for any special, consequential or incidental damages.

18. Miscellaneous. The paragraph headings contained herein are for convenience of reference only and shall not be construed to affect in meaning the provisions of this agreement.

Please confirm your agreement with the foregoing by dating, signing and returning to us a duplicate copy of this agreement.

AGREED TO AND ACCEPTED BY:

SIGNED *Murray A. Weiss, Jr. USMS*

BY 

GUERNSEY'S
A Division of Barlan Enterprises, Ltd.

DATED 11/1/05