

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
"IN ADMIRALTY"

IN THE MATTER OF WAVE DANCER, LTD.,
WAVE DANCER (BELIZE) LTD.,
PETER HUGHES DIVING, INC. AND
PETER HUGHES, AS OWNERS,
OWNERS *PRO HAC VICE*, OPERATORS
AND MANAGING AGENTS, OF THE
M/V WAVE DANCER FOR EXONERATION
FROM OR LIMITATION OF LIABILITY

CIVIL ACTION NO. 01-478

FILED by *RG* D.C.
JUN 4 2002
CLARENCE MADDOX
CLERK U.S. DIST. CT.
S.D. OF FLA. - MIAMI

JUDGE LENARD

MAGISTRATE SIMON

ORDER OF SALE OF THE M/V WAVE DANCER

WHEREAS, a Complaint for Exoneration From or Limitation of Liability having been filed herein on the 21st day of November, 2001, by Wave Dancer, Ltd., Wave Dancer (Belize) Ltd., Peter Hughes Diving, Inc., and Peter Hughes (hereinafter referred to as "Plaintiffs-in-Limitation"), as owners, operators, owners *pro hac vice*, and managing agents of the M/V WAVE DANCER claiming exoneration from or limitation of liability as provided in 46 U.S.C. §181, *et seq.* and Supplemental Rule F of the Federal Rules of Civil Procedure for all losses, damages and consequences allegedly resulting from the voyage of the M/V WAVE DANCER commencing on October 6, 2001 and ending on October 8, 2001 with the capsizing and sinking of the M/V WAVE DANCER as referred to in the Complaint; the M/V WAVE DANCER thereafter becoming a constructive total loss; and the owner of the M/V WAVE DANCER having elected to transfer as security its interest in the M/V WAVE DANCER to a Trustee; and this Court, by Order of December 5, 2001, having approved the transfer of the M/V WAVE DANCER to this Court's appointed Trustee, Denys A. Barrow, of Barrow & Company, Attorneys at Law, 23 Regent Street, Belize City, Belize, pending the sale of the vessel and transfer of funds therefrom into the Registry of the Court for the benefit of claimants, and

WHEREAS, pursuant to this Court's Order of December 5, 2001, Notice was issued out of

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and under seal of this Court to all persons asserting claims with respect to which the Complaint seeks exoneration or limitation, admonishing all such persons to file their respective claims, in writing, with the Clerk of Court and to serve a copy on attorney for Plaintiffs-in-Limitation on or before the 30th day of January, 2002 and requiring any claimant who desires to contest either the right to exoneration from liability or the right to limitation of liability to file and serve on attorney for Plaintiffs-in-Limitation an answer to the Complaint, unless his or her claim has included an answer, on or before the date aforementioned, or be forever defaulted, and

WHEREAS, the aforesaid Notice was published by Plaintiffs-in-Limitation in the *Miami Herald* and *Richmond Times* once a week for four(4) consecutive weeks prior to the 30th day of January, 2002, and copies of said Notice were mailed to known and/or prospective claimants by Plaintiffs-in-Limitation by Certified United States mail, First Class postage prepaid, and by Federal Express delivery, and

WHEREAS, the deadline for filing claims of January 30, 2002 has now passed, and all prospective claimants are now currently known and before the Court, and

WHEREAS, the M/V WAVE DANCER is subject to deterioration, decay, or injury while detained, and is further subject to mounting expenses which are, or will become, excessive or disproportionate, and that further unnecessary expenses will be incurred for the maintenance and preservation of the vessel while under the custody and control of the Court's appointed Trustee, Denys A. Barrow, pending the final determination of this matter, and

WHEREAS, it is in the interest of Claimants that funds from the sale of the M/V WAVE DANCER be maximized, and that such result is best achieved by effecting the prompt sale of the M/V WAVE DANCER to avoid further deterioration, decay, and injury to the vessel, and to avoid the unnecessary expenses associated with the preservation and maintenance of the vessel.

WHEREAS, Plaintiffs-in-Limitation, claimants and the Trustee all agree and consent to the

sale of the M/V WAVE DANCER on the terms and conditions stated below.

IT IS HEREBY ORDERED that Denys A. Barrow, Trustee of the M/V WAVE DANCER, take immediate action to facilitate the expeditious and cost effective sale of the M/V WAVE DANCER, her engines, boilers, tackle, apparel, and furnishings at public auction, to the highest bidder, with the auction being conducted by SalvageSale, Inc. in accordance with their standard procedure for on-line auction via the SalvageSale, Inc. auction website located at www.salvagesale.com.

IT IS FURTHER ORDERED that the on-line auction to be conducted by SalvageSale, Inc. will be governed by the following terms and conditions:

1. The minimum bid and/or reserve price for the sale of the M/V WAVE DANCER will be US\$125,000.00;
2. The winning bidder shall be the highest bidder who has met the reserve of US\$125,000.00;
3. The successful bidder shall be notified by SalvageSale, Inc. of their/its status as the winning bidder within twenty-four(24) hours of the end of the auction and will receive a "Request for Funding" from SalvageSale, Inc.;
4. Within forty-eight(48) hours of receiving the "Request for Funding" from SalvageSale, Inc., the successful bidder must fund the designated SalvageSale, Inc. escrow account in US dollars via wire transfer or Cashier's check;
5. The escrow account maintained and/or established by SalvageSale, Inc. for purposes of receiving funds from the sale of the M/V WAVE DANCER must be established in a non-interest bearing and federally-insured United States bank account.

IT IS FURTHER ORDERED, that upon funding of the escrow account, SalvageSale, Inc. is to immediately notify the Court's appointed Trustee of the M/V WAVE DANCER, Denys A.

Barrow, of the receipt of funds. Denys A. Barrow shall immediately thereafter confirm to this Court that the M/V WAVE DANCER has been successfully sold through auction and that the purchaser has made full payment therefor.

IT IS FURTHER ORDERED, that upon notification to the Court by Denys A. Barrow of the sale of the vessel and confirmation of receipt of funds into escrow, the Clerk of Court shall deliver a Bill of Sale of the M/V WAVE DANCER to the confirmed purchaser and said vessel shall be conveyed by the Court "as is, where is", free and clear of all liens, claims and encumbrances whatsoever, and

IT IS FURTHER ORDERED, that the fees and expenses associated with the sale and advertisement of the M/V WAVE DANCER shall be 10% of the sale price ultimately received in auction and that such fees and expenses shall be deemed administrative expenses of the Court's appointed Trustee, Denys A. Barrow, and upon confirmation by the Court of said administrative expenses, such expenses shall be deducted from the proceeds of the sale of the vessel and the balance shall be forwarded to the Clerk of this Court to be deposited into the Registry of the Court for the benefit of all Claimants.

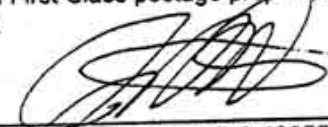
MIAMI, FLORIDA, this 4 day of June, 2002.


UNITED STATES DISTRICT JUDGE

CERTIFICATE OF SERVICE

WE HEREBY CERTIFY that a true and correct copy of the foregoing was mailed to all counsel on the attached service list properly addressed and First Class postage prepaid, and/or via facsimile on this 31st day of May, 2002.

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