

KRUSE GLOBAL AUCTION AGREEMENT

Consignor Code: _____

COMPANY: _____ GST or SIN#: _____

ADDRESS: _____ CITY/PROV./PC: _____

PHONE: _____ FAX: _____ E-MAIL : _____

and **KRUSE GLOBAL ENERGY AUCTION, INC.** (hereinafter referred to as "AUCTIONEER"). COMPANY hereby grants AUCTIONEER the exclusive right and authority to sell, at auction, property being generally described below. COMPANY agrees that after execution of this contract, COMPANY shall not withdraw all or any portion of the Property without the prior written consent of AUCTIONEER. **In the event AUCTIONEER gives written consent to do so, Company agrees to pay AUCTIONEER full commission plus all costs incurred. The Auction will be conducted without minimum or reserve price, buybacks, anyone bidding on behalf of COMPANY.**

THE PROPERTY: _____

Company agrees to the following TERMS OF SALE:

1. Auction shall be held on or about _____ or as soon thereafter as reasonably possible in _____ (city/province).
 2. AUCTIONEER shall receive a _____ commission based on the gross proceeds of the sale.
 3. The advertising and promotional expenses budget is \$ 35,000.00. COMPANY hereby authorizes AUCTIONEER to use its name and logo in the promotion of the Auction.
 4. COMPANY shall pay its entire pro-rata share of expenses, including, but not limited to: advertising and promotion, yard (rental fees, security and checkout personnel with utilities/telephones), and auction location (digital imaging facility, images, catering). COMPANY's pro-rata share shall be the percentage that the gross revenue obtained for COMPANY's Property bears to the gross revenue for the entire auction.
 5. All monies shall be made payable to AUCTIONEER SPECIAL ACCOUNT. Distribution of proceeds shall be in the following order: expenses of sale; third-party services not paid by COMPANY; AUCTIONEER's commission; payment to lien holders; balance to COMPANY. Settlement to COMPANY shall be made before the expiration of thirty (30) days from the date of sale to allow AUCTIONEER to reconcile the sale, clear all checks, purchase orders, handle titles, distribute monies to lien holders, and obtain lien/encumbrance releases where applicable.
 6. AUCTIONEER is authorized to incur, and COMPANY shall pay on demand, the costs of all outside third-party services (prep, load, unload, repair, etc.) incurred by AUCTIONEER, plus ten percent (10%). AUCTIONEER shall be authorized to pay for such services from proceeds of sale as specified in paragraph 5. COMPANY shall be responsible to pay for these services whether the Property sells at auction or not.
 7. COMPANY agrees there are no liens or encumbrances on any equipment consigned to Auction. COMPANY has sole ownership of the Property. COMPANY has authority to enter into this agreement with AUCTIONEER. COMPANY agrees there are no claims on property from any third party.
 8. The following liens & encumbrances exist from the following lien holders; _____ COMPANY agrees to provide AUCTIONEER with Mortgage Property Release Agreement from any lien holders.
 9. Additional condition of sale: _____
10. Owner agrees to pay the Auctioneer an auction commission based on the gross sales price of the equipment or any part thereof as follows:
- A) 12 % + a percentage of advertising based on any lot realizing **more than \$1,000**
 - B) 20 % + a percentage of advertising based on any lot realizing **less than \$1,000**
 - C) A minimum charge of \$50 per lot

COMPANY'S WARRANTIES: COMPANY warrants and represents as follows: COMPANY has authority to enter into this Contract for the purposes stated; performance of this Contract by COMPANY will not violate the terms of any contract to which COMPANY is a party; COMPANY shall furnish such evidence of title(s), bill(s) of sale or other necessary and appropriate documentation as reasonably requested by AUCTIONEER. Contract does not constitute a bulk sale of COMPANY's assets under applicable province law.

PROPERTY CONDITION: The property will be sold in its then present condition at the time of sale, "AS IS", "WITH ALL FAULTS" and "WITHOUT WARRANTY OR GUARANTEE OF ANY KIND, EITHER EXPRESS OR IMPLIED, AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE". Property shall be sold to the highest bidder, and there will be no guarantee whatsoever by AUCTIONEER on the gross proceeds to be realized from the sale of the Property.

TITLE & RISK OF LOSS: Title and risk of loss to the Property remains with COMPANY until removal of the Property by the buyer. AUCTIONEER is hereby constituted as an agent only of the COMPANY and not a principal in the sale of the Property. COMPANY shall maintain adequate insurance covering the Property until ownership passes from COMPANY to buyer. In the event the buyer does not pay the purchase price for Property, ownership of the Property shall remain with COMPANY. AUCTIONEER shall be under no duty or obligation to pursue legal action against any non-performing buyer. AUCTIONEER may, if it deems it necessary, re-auction any part of the Property not sold or not paid for at the auction. COMPANY hereby acknowledges that no monies shall be payable by AUCTIONEER of any part of the Property until such part of the Property has been paid for in full by the buyer thereof.

INDEMNIFICATION: COMPANY indemnifies and holds AUCTIONEER, its agents and employees, harmless from any and all claims, losses, expenses, judgments or liabilities (including court costs and attorney fees as incurred) arising out of: failure of title; representations made by COMPANY; defects in the Property sold; personal injury; property damage; the inherent dangerous nature of the Property; environmental problems caused by or claimed to have been caused by or for which COMPANY may be responsible with respect to COMPANY's operations and/or the Property, or similar cause; and COMPANY's breach of any provision of this Contract.

OTHER ITEMS: This Contract shall be binding upon and inure to the benefit of the parties to this Contract and their successors in interest. This Contract shall not be assignable without the prior written consent of the parties hereto; this Contract shall be construed in accordance with and governed by the laws of the Province of Alberta, Canada, City of Edmonton. In the event of any dispute over any obligation, promise, forbearance or interpretation hereunder, the parties agree that the exclusive remedy for resolution thereof shall be commercial arbitration in accordance with the commercial arbitration rules of the Arbitration and Mediation Institute of Canada. The arbitration will be held in the Province of Alberta, Canada, City of Edmonton before a single arbitrator and judgment on any arbitrator and judgment on any arbitration award may be entered in any court having jurisdiction hereof. This contract is and shall constitute an exclusive listing Contract between COMPANY and AUCTIONEER and shall remain in full force and effect from the date hereof until the Property is sold; this Contract constitutes the complete and entire Contract between the parties and may only be amended by a further document in writing, executed by all parties hereto.

TITLES: COMPANY authorizes AUCTIONEER to have POWER of ATTORNEY to execute any Titles, Bill of Sale(s), or any other title transferring documents pertaining to items sold in said Auction

The parties hereto have executed this contract the day and year indicated below.

KRUSE GLOBAL ENERGY AUCTIONS, INC.
7003 Girard Road, Edmonton, Alberta, Canada T6B-2CA
(OFF) 780-450-6363 or 800-372-7611; (FAX) 780-461-5827

COMPANY: _____

BY: _____

BY: _____

PRINT NAME: _____

DATE: _____

DATE: _____