

Union Dry Dock & Repair, Co
PO Box 1539
Hoboken, NJ 07030

July 18, 2012

[REDACTED]

[REDACTED]

Dear Mr. [REDACTED]

In recent months we have received several indications of interest to purchase the property at 901 Sinatra Drive. Union Dry Dock & Repair Company (The "Company" or the "Seller") has decided to entertain offers from a select group of interested parties in order to determine if there are any offers that may be of interest to the Company.

Any Preliminary Offer must be in writing and submitted to the Company's office at 51 Newark St., Hoboken, NJ, 5th floor (or as directed herein) by 11:00 AM on August 2, 2012. The Preliminary Offer should follow the following format and answer the following questions.

Confidentiality: Interested potential Buyer will not disclose or publicize this letter or its' contents to third parties in any way (except to counsel and advisors), **without the written consent of the Company**. Advisors to Buyer will be bound by this Confidentiality clause.

Seller: Union Dry Dock & Repair Company

Buyer: In order for the Seller to make an informed decision as to the Buyer's creditworthiness please provide sufficient details and information of the legal entity that proposes to buy the Property.

Property: The freehold property (the "Property") at 901 Sinatra Drive known as Block 259, Lot 1 in the City of Hoboken, New Jersey is being offered **"as is"**.

Assets Excluded From Sale: The sale will not include the operating company or the name "Union Dry Dock & Repair Company". The sale does not include any of the drydocks, barges, equipment, or inventory currently situated on or near the Property. However, Buyer is encouraged to offer separately for these assets.

Purchase Price: The offer is expected to be in U.S. Dollars, paid in full to the Seller at Closing. The Purchase Price is to be at a price that is net to the Seller of all brokerage fees and other commissions and expenses.

Sellers Financing: The Seller is willing to consider offering Buyer financing not to exceed 50% of the purchase price under mutually acceptable terms.

Good Faith Deposit: A Good Faith Deposit in the amount of \$25,000 is expected to be accompanied with this offer. The Good Faith Deposit will be held in escrow by the Seller's attorney. The Good Faith Deposit will be returned within thirty days receipt of this offer if no acceptable offer is received or if the Seller chooses another offer. The Good Faith Deposit will be held as a credit towards the Contract Deposit if the Seller and Buyer enter into negotiations to sign a binding contract.

Conditions to Sale: The Buyer should list all conditions required to consummate a sale of the Property, including but not limited to:

- (i) Any change in zoning required
- (ii) Any other permits or approvals required
- (iii) Any financing contingencies
- (iv) Scope of and timing of environmental review
- (v) Time required for Board or Buyer's final approval from signing any Letter of Intent.

Process and

Time Line: The Seller desires to sell the Property prior to December 31, 2012. In order to achieve that goal Seller has outlined a firm timeline below. In order to assist the Buyer to maintain the schedule, Seller is willing to (i) release the results of current Preliminary Assessment and Site Investigation Reports to any bidder in the second round of negotiations and (ii) provide any other information reasonably required to make a fully informed bid

The Timeline is as follows:

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|--------|---|----------------------------|
| (i) | Request for proposals sent out: | July 18 th 2012 |
| (ii) | Preliminary Non-binding Indication from Buyers: | August 2, 2012 |
| (iii) | Selection of top two bidders: | August 9, 2012 |
| (iv) | Meetings with top two bidders to discuss bids | Aug 13-24 |
| (v) | Final bids due: | Aug 30 |
| (vi) | Selection of Buyer: | September 7 |
| (vii) | Due Diligence (DD) by Buyer: | Sept 7 – Nov 7 |
| (viii) | Contract negotiations -- concurrent with DD : | Oct 8 – Nov 30 |
| (ix) | Closing, <u>Time of the Essence</u> : | December 13 |

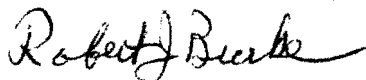
Please note that all offers are due by 11:00AM, August 2, 2012. Offers may be delivered to

the Company's office address, 51 Newark Street, Suite 504, Hoboken, NJ 07030 or sent via email to Robert Ferrie. (ferrieboat@aol.com), with copy to Robert Burke (rpburke1@aol.com).

Thank you for your time in preparing this offer. All offers will be construed as statements of Intent and will not be binding on any party. Definitive agreements may be entered into only after the advice of counsel and approval by appropriate parties.

Finally, in its sole discretion, the Company may reject any or all bids.

Sincerely yours;

A handwritten signature in cursive script that reads "Robert J. Burke".

Robert J. Burke
President & CEO