

Terms and Conditions of Auction

1. **Broker and Auctioneer.** Keller Williams Realty ("Broker") and Christiaan D. van Reenen ("Auctioneer") are collectively acting solely as agent for the owner of the property and not as agent for any bidder at auction.

2. **Conveyance of Property.** The above described property ("Property") will be conveyed to the buyer free and clear of liens or encumbrances other than building use restrictions, easements, zoning ordinances, outstanding mineral interests, ad valorem taxes for the current year, any purchase money lien created by the buyer, any other matters of public record.

3. **Property Condition.** The Property will be sold in its "as is, where is" condition. The owner, the Broker and the Auctioneer disclaim all guarantees, warranties, or representations of any kind as to the condition of the property, whether implied or at any time expressed, with regard to the Property. The bidder should conduct due diligence prior to bidding, with respect to title matters and property condition, or seek the advice of professionals with regard to those matters. Packets of information about the Property will be made available to prospective bidders. However, neither owner, nor Broker, nor Auctioneer warrants the accuracy or completeness of the information contained in the packet.

4. **Bidder Registration.** All bidders who wish to bid in the auction must register with the Auctioneer and obtain a bidder number. Bidders must be at least eighteen (18) years of age and furnish a driver's license or other valid identification. The Auctioneer reserves the right to refuse to register or admit a bidder at the Auctioneer's sole discretion.

5. **Earnest Money Contract and Deposit.** At the conclusion of the auction the Owner and the successful bidder shall enter into an earnest money contract, requiring an earnest money deposit of **\$5,000** for the Property. The earnest money deposit shall be held by the escrow agent designated in the earnest money contract to be applied to the purchase price at closing. Closing must occur on or before 30 Days from the Auction's End.

6. **Title Insurance, Survey and Possession.** After closing and funding of the sale and purchase of the property, the owner of the Property ("Seller") shall furnish, at the owner's expense, an Owner's Policy of Title Insurance to the successful bidder ("Buyer"). The Seller shall furnish any existing survey of the Property which Seller may possess, if any, to the Buyer prior to closing. In the even a new survey is required to complete the sale and purchase of the Property, such survey will be the expense of the Buyer. Buyer shall be entitled to possession of the Property upon closing and funding.

7. **Buyer's Premium and Final Purchase Price.** A "Buyer's Premium", equal to ten (10.00%) percent of the successful bid price will be added to the high bid price for the Property, to arrive at a final purchase price ("Final Purchase Price"). For example, if the successful bid price for the Property is \$100,000.00, then a Buyer's Premium, to be paid by the Buyer, will be added to the bid price to arrive at a final purchase price for the Property of \$110,000.00. The Buyer's Premium does not create an agency relationship between the Buyer and the Broker or the Buyer and the Auctioneer. Broker and Auctioneer represent the Seller only.

9. **Bidding.** The high bidder, as recorded by the Auctioneer, agrees that the high bid is an irrevocable offer to pay the Final Purchase Price for the Property. It is the responsibility of every bidder to make certain that his or her bids are made known to the auctioneer. The Broker and the Auctioneer disclaim any responsibility or liability arising in any way from bids not spotted, executed or accepted. In the case of any dispute between bidders, the Auctioneer reserves the right, in the sole discretion of the Auctioneer, to reopen the bidding pursuant to terms determined by the Auctioneer in the Auctioneer's sole discretion. The Auctioneer, at the Auctioneer's sole discretion, may reject, disqualify or refuse any bid which Auctioneer believes to be fraudulent, illegitimate, offered in bad faith, or offered by someone not qualified to bid. The auction sale is complete when the Auctioneer so announces. Should a

dispute arise between bidders after the completion of the auction, the Auctioneer's records shall be deemed conclusive in all respects.

10. **Limitation of Liability.** Neither Owner, Broker nor Auctioneer shall be liable for any damage or injury to person or property at or upon the sale premises. Each person entering in or upon the sale premises assumes any and all risks for the safety of such person, for the safety of any minors accompanying such person, and for any property belonging to such person or to such minor. Owner, Broker and Auctioneer disclaim any and all liability for lost or stolen property.

11. **Buyer's Failure to Perform.** Should the successful bidder fail to perform the Buyer's obligations under the terms of the auction, in addition to other remedies available to the Seller by law, including the remedy of specific performance, the Seller may: a) resell the property at public or private sale and hold the Buyer liable for the payment of any deficiency purchase price, plus all costs incurred; and/or b) cancel the sale to the Buyer and retain as liquidated damages all deposits and payments made by the Buyer. All Auctioneer's commissions, incidental damages, court costs, attorney's fees and expenses incurred by Auctioneer will be charged to the non-complying high bidder.

12. **Agent/Broker Participation.** Licensed real estate salespersons and brokers are invited to participate in representing bidders at the auction. A commission up to twenty (20.00%) percent of the ten (10.00%) percent buyers premium will be paid to the broker who represents the Buyer at the closing of the sale of the Property.

13. **Recording Devises.** No photographs, audio recordings or video recordings are permitted at the auction without the express permission of the Auctioneer. However, the Auctioneer may make photographic, audio and/or video records of the auction for future promotional or advertising purposes. The use of such photographs, audio and/or video records with the bidder's likeness or image is hereby authorized by all bidders.

14. **Severability.** If any provision of this Agreement is declared or determined to be null, void, inoperative, illegal or invalid for any reason, the validity of the remaining parts, terms or provisions will not be affected thereby and they will retain their full force and effect, and said null, void, inoperative, illegal or invalid part, term or provision will not be deemed to be part of this Agreement.

15. **Interpretation.** Each party to this Agreement acknowledges that it has read, or has had the opportunity to read, the terms provided herein. The parties agree that this Agreement reflects the terms as agreed to by the parties hereto. In the event a term or terms is considered ambiguous, neither party hereto, nor their respective counsel, will be considered the draftsman of this agreement for the purpose of causing the terms of this Agreement to be construed against a party hereto.

16. **Governing Law.** The parties hereto acknowledge and agree that this Agreement is made and entered into in the State of Texas, and will in all respects be interpreted, enforced and governed under the internal laws (and not the conflicts of laws) of the State of Texas. In the event that the parties hereto, or any one of them, litigate any actual or potential breach of this Agreement, the parties hereto stipulate and agree to jurisdiction and continuing venue for any such action in the State of Texas.

17. **Rights Not Transferable.** All rights granted herein are personal and exclusive to the registered bidder, and may not be assigned or transferred to another person or entity, by operation of law or otherwise. Any attempt to assign or transfer any such rights shall be void and unenforceable. No third party may rely on any benefit or right conferred herein or granted to any bidder.

18. **Binding Effect.** Each party binds itself and its partners, representatives, employees, successors, executors, administrators and assigns to the other party of this Agreement and to the partners, representatives, employees, successors, executors, administrators and assigns of such other party, in respect to the promises, representations, acknowledgements, covenants and responsibilities contained in this Agreement.

Broker # 474896 Auctioneer # 16655