

Terms and Conditions for Real Estate Auction

The Auction will be conducted by Pacific Galleries ("Auctioneer"). Auctioneer, as used in these Terms and Conditions, shall include but not be limited to, any and all of its agents, employees, representatives, officers and directors. These Terms and Conditions generally describe the Auction of real properties. **These Terms and Conditions are organized into the following sections:** 1. Registration 2. Good Faith Deposit 3. Due Diligence 4. Buyer's Premium 5. Reserve Prices 6. Winning Bidder 7. Telephone Bidder 8. Property Conveyance 9. Seller Acceptance 10. Loan Application 11. Closing Time 12. Earnest Money Deposit 13. Cancellation/Liquidation Damage 14. Extensions 15. General Auction Information

1)REGISTRATION: Buyer is required to register in order to bid at the Auction. In order to register for the Auction, please go to www.pacgal.com to find the form online or come to the Pacific Galleries office to receive a form.

2)GOOD FAITH DEPOSIT: Upon submitting your registration, or prior to the start of the Auction, prospective buyers are required to deliver to Pacific Galleries a sum of \$1000, for each real estate property, in the form of cash or personal check. Such good faith deposits are to be returned to the prospective buyers who failed to become the Winning Bidder in the Auction.

3)DUE DILIGENCE: All Bidders should complete their Property due diligence prior to the Auction. Any information provided by Seller or Auctioneer regarding sizes, floor plans, square footage and/or bedrooms/bathrooms for the Properties are approximations only and are based on information available.

4)BUYER'S PREMIUM: The total purchase price will include a Buyer's premium equal to five percent (5%) of the winning bid amount. Therefore, the actual total purchase price on the Auction day (and at the closing) is equal to the winning bid amount plus five percent (5%) (the "Total Purchase Price"). The Total Purchase Price does not include other amounts payable by the Buyer during closing, such as escrow/closing fees, property taxes, insurance, etc. The Buyer's premium is the fee the Auctioneer charges the Bidders to bring the Property to Auction and it helps pay for the Auction marketing costs and other general auction expenses.

5)RESERVE PRICES: Unless a Real Estate property is advertised as "No Reserve" or "Absolute Auction" all properties auctioned by Pacific Galleries are to be sold through Auction with reserve prices.

6)WINNING BIDDER: The top three (3) Bidders of a Real Estate property are Winning Bidders. They are required to execute the written Purchase of Sale Agreement immediately after the Auction of the Real Estate property. Pacific Galleries will present all three (3) top Winning Bidders Purchase of Sales Agreement to Seller for acceptance.

8)PROPERTY CONVEYANCE: All properties are to be conveyed as fee simple title, with title insurance by standard title policies (as applicable), subject to current taxes (prorated upon closing), rights-of-way, assessments, easements and other conditions of record, and any exceptions written in the Preliminary Title Report and other standard title exclusions.

9)SELLER ACCEPTANCE: Pacific Galleries has the right to obtain Seller's acceptance within twenty-four (24) hours of presenting the Purchase of Sales Agreement. Sellers, at their discretion, may accept or reject one of the winning bids as the final Purchase and Sales Agreement, and accept others as back up offers.

10)LOAN APPLICATION: Should the final Winning Bidder need to finance the purchase, the final Winning Bidder must agree to submit to Pacific Galleries proof of the loan application within three (3) days of mutual acceptance of the Purchase and Sales Agreement.

11)CLOSING TIME: All Real Estate properties sold by the Pacific Galleries Auction are to be closed within thirty (30) days after mutual acceptance by both Buyer and Seller. The closing of the transaction is to be handled by a title company or licensed escrow company.

12)EARNEST MONEY DEPOSIT: Upon mutual acceptance of the Purchase of Sales Agreement, the final Winning Bidder agrees to deliver to Pacific Galleries or an escrow company, an Earnest Money Deposit in the amount equal to or more than three percent (3%) of the purchase price.

13)CANCELLATION/LIQUIDATION DAMAGE: If the Winning Bidder fails to comply with any of the foregoing, or subsequently defaults under the Purchase Agreement, the sale may be cancelled by the Seller and the Buyer shall be required to pay damages as set forth in the Purchase and Sales Agreement.

14)EXTENSIONS: In certain cases, the Auctioneer and Seller may grant an extension of the closing date, the terms and conditions of which are set forth in the Purchase and Sales Agreement. Any fee paid by the Winning Bidder to the Seller for the right of extension **WILL NOT** be credited towards the Total Purchase Price. All extension requests are evaluated by the Auctioneer and Seller on a case-by-case basis and may be granted or denied in their sale and absolute discretion.

15)GENERAL AUCTION INFORMATION: Seller and Auctioneer reserve the right to deny any person admittance to or expel anyone from the Auction site for interference with the Auction activities, nuisance, canvassing, solicitation, or any other reason. Seller and Auctioneer have the right to postpone or cancel the Auction, to withdraw any Property from the Auction and to change any terms of the Auction or particular conditions of sale upon announcement prior to or during the course of the Auction.

7) TELEPHONE BIDDER: A prospective Buyer is permitted to bid by phone instead of bidding in person provided all terms and conditions of Auction are fulfilled. However, if a telephone Bidder becomes the Winning Bidder, the telephone Bidder is required to come to the Auction premise to execute the written Purchase and Sales Agreement within one hour of the Auction sale.