

# REAL ESTATE AUCTION TERMS AND CONDITIONS

(November 17, 2010)

1. **CONDITIONS OF SALE:** The terms and conditions for this sale are set forth in the Purchase and Sale Agreements which will be executed by successful bidders at the auction. Copies of the Purchase and Sale Agreements are available for inspection prior to this event by contacting Western Real Estate Auctions LLC (referred herein as WREA or Broker).
2. **AUCTION PROCEDURE:** The property is owned by USDA Farm Service Agency and will be offered in such a style that all bids remain open until the auctioneer declares the bidding closed. The selling price shall be determined by competitive bidding at the auction. **A 10% BUYER'S PREMIUM WILL BE ADDED TO THE HIGH BID(S) TO DETERMINE THE TOTAL CONTRACT SELLING PRICE(S).** Should any dispute arise between bidders, the Auctioneer shall have the right to make the final decision to either determine the successful bidder or to re-sell the property that is in dispute. The auction will be recorded and if any dispute arises following the auction, the Auctioneer's sales records shall be conclusive in all respects.
3. **BIDDER REGISTRATION:** This Auction is for registered bidders and their guests. **ALL BIDDERS, prior to receiving a bid number, must provide sufficient evidence to the Broker that they have adequate funds and/or financing to close on the offered property.** Bidders must register their name, address, and telephone number with the registration clerk, providing photo I.D. (i.e. driver's license); and the \$2,500 **bidder deposit** in cashier's check or PRE-APPROVED company or personal checks made payable to Baines Title Company. All checks not endorsed by successful bidders will be returned to providers at the close of the auction. Bidder registration will begin at 10:00 a.m. at Whistler's Family Restaurant in Tonasket, WA. The Seller and/or Broker reserve the right to refuse admittance to or expel anyone from the auction premises for interference with the auction activities, nuisance, canvassing or any other reasons.
4. **TERMS:** Cash at closing no later than December 17, 2010
5. **RIGHT TO ACCEPT OR REJECT:** This property is being offered for sale subject to seller acceptance. Seller reserves the right to accept or reject any and all offers for any reason, however, the sole purpose of this auction is to sell the properties. Please come prepared to purchase this tract at auction.
6. **PROPERTY INFORMATION PACKETS:** Property information packages are available, containing a copy each of the Purchase and Sale Agreement, Preliminary Title Report, Plat Map, and Law of Real Estate Agency by contacting Western Real Estate Auctions at (509) 297-9292.
7. **CONFIRMATION OF BID:** Successful bidder(s) will execute a "Confirmation of Bid" immediately upon award of the right to execute an offer to purchase as announced by the Auctioneer. Successful bidder(s) must then complete the Purchase and Sale Agreement(s).
8. **DEPOSITS:** Successful bidder will be required to provide a minimum Earnest Money Deposit of ten percent (10%) of the purchase price at the close of the real estate auction. The cashier's check bidder deposit(s) submitted for bidding participation will be applied to that percentage. Buyer(s) must be prepared to issue a personal check for the balance due in excess of the bidder deposit(s) to be made payable to Baines Title Company, Inc. to complete the Earnest Money Deposit requirements.
9. **ENVIRONMENTAL DISCLAIMER:** Seller and WREA do not warrant or covenant with Buyer(s) with respect to the existence or nonexistence of any pollutants, contaminants, or hazardous waste prohibited by federal, state or local law or claims based thereon arising out of the actual or threatened discharge, release, disposal, seepage, migration or escape of such substances at, from or into the demised premises. Buyer is to rely upon it's own environmental audit or examination of the premises.
10. **CLOSING:** The sale transactions must close no later than December 17, 2010 unless extended in writing by the Seller with possession given at closing. It shall be closed by Baines Title Company, 105 North 2<sup>nd</sup> Avenue, Okanogan, WA 98840.

11. **CLOSING COSTS AND PRORATIONS:** Purchasers of the property shall pay all closing costs including, but not limited to, title insurance premiums, survey fees, if any, excise tax, if any, recording fees, escrow fees, and sales or use tax, if any. Seller will pay delinquent taxes and other delinquent assessments, if any. 2010 real estate taxes will be prorated at closing.

12. **ADDITIONAL TERMS AND CONDITIONS:** All dimensions and descriptions are approximations only based on the best information available and are subject to possible variation. Bidders should inspect the property and also review all of the pertinent documents and information available at Western Real Estate Auctions as each bidder is responsible for evaluating the property and shall not rely upon the Seller or WREA. The Seller or WREA or their agents assume no liability for errors or omissions. The property herein is being sold subject to federal, state and county laws, ordinances and regulations which may affect the property and its use, including all conditions, restrictions and limitations and other matters of record. The property is being sold on an "AS IS, WHERE IS" basis and without any warranties or representations, expressed or implied. No claim will be considered for allowance, adjustment or rescission based upon failure of the property to correspond to any particular standard or exception. Broker, at his sole discretion, reserves the right to accept a personal check from a pre-qualified bidder in-lieu of a cashier's check. Seller and/or WREA have the right to postpone or cancel the auction, in whole or in part, to add or delete properties, at their sole discretion, and to modify or add any terms and conditions of sale and to announce such modifications or additional terms and conditions either prior to or at the auction. Announcements made at the auction will take precedence over printed matter.

13. **AGENCY DISCLOSURE:** Western Real Estate Auctions is representing the Seller and will be paid by the Seller. Each purchaser will be required to acknowledge such agency.

14. **BROKER PARTICIPATION:** A cooperating broker referral fee will be paid to the appropriately licensed real estate broker whose pre-registered prospect pays and successfully closes on tract(s) sold in this auction. Participating brokers must follow all guidelines set by the Auctioneer and selling Broker and be pre-registered on Company letterhead no later than 5:00 p.m. on Friday, November 16, 2010. No agent will be recognized on a prospect who has previously contacted or been contacted by the Seller or its representatives. Registered broker(s) and their client(s) must attend the Auction.

15. **SELLER'S PERFORMANCE:** The seller has agreed to the terms of the sale as published. However, the Broker makes no warranties or guarantees as to the Seller's performance. All properties are being offered for sale to qualified purchasers without regard to the prospective purchaser's sex, race, color, religion or national origin.

16. **FAILURE TO CLOSE:** In the event that the successful bidder fails to close for any reason, the Earnest Money shall be non-refundable and Seller shall have default rights as forth in the Purchase and Sale Agreement.

17. **CHATTEL PROPERTY:** These sales of these real estate tracts do not include any chattel property.