

HERITAGE LUXURY PROPERTY AUCTIONS, INC.

BIDDER REGISTRATION AGREEMENT – TERMS AND CONDITIONS

1. Introduction. Seller (“*Seller*”) is the owner of the property (the “*Property*”). Seller has retained Heritage Luxury Property Auctions, Inc., a Texas corporation (“*Heritage*”), to sell the Property pursuant to this auction (the “*Auction*”). Heritage is conducting the Auction through its licensed real estate broker and its licensed auctioneer (the “*Auctioneer*”).
2. Bidder. Each person or entity participating or registering for the Auction, including (without limitation) the undersigned bidder (“*Bidder*”), agrees to be bound by and accepts the terms and conditions of this Bidder Registration Agreement – Terms and Conditions (this “*Agreement*”).
3. Auction. The Property is more particularly described in the due diligence package concerning the Property previously furnished to each Bidder (the “*Due Diligence Package*”). The Property shall be auctioned “no minimum, without reserve,” so that Seller shall be deemed to have accepted the highest bid (the “*Winning Bid*”) from a qualified bidder (the “*Buyer*”) without limiting condition as to the amount of the high bid or the nature of the Buyer. Following the conclusion of the auction, Seller and Buyer shall execute a purchase and sale contract relating thereto, the form of which is included in the Due Diligence Package (the “*Purchase Agreement*”). An amount equal to ten percent (10%) of the Winning Bid (the “*Buyer’s Premium*”) will be automatically added to the Winning Bid to be paid by Buyer. The Buyer’s Premium shall not be considered a real estate commission. The Buyer’s Premium is a fee charged by Heritage to the Buyer for Heritage’s work in bringing the Property to auction. Seller shall have the right, in its sole discretion, to add or withdraw Property from the Auction at any time prior to commencement of bidding. All bids placed by Bidder in the Auction shall be binding on Bidder. Buyer’s purchase of the Property shall not be conditioned or contingent upon Buyer obtaining financing. The purchase price for the Property shall be paid by Buyer in cash. All decisions of the Auctioneer are final as to the methods of bidding, disputes among Bidders, increments of bidding, and any other matters regarding the auction process that may arise before, during, or after the Auction. The Auctioneer reserves the right to deny any person admittance to the Auction or expel anyone from the Auction who attempts to disrupt the Auction. The Auctioneer reserves the right to announce additional terms and conditions of the sale of the Property prior to or during the course of the Auction. All announcements made at the Auction shall supersede any conflicting prior oral or printed statements.
4. Property. If the Bidder places the Winning Bid, Bidder and Seller shall execute a Purchase Agreement pursuant to which Seller will agree to convey the Property to Bidder by warranty deed free and clear of all liens and encumbrances, except for the liens and encumbrances specified in the title commitment (the “*Title Commitment*”) and warranty deed (the “*Deed*”) provided pursuant to the Purchase Agreement. Buyer will purchase the Property subject to, and the closing of the purchase of the Property by Buyer pursuant to the Purchase Agreement shall not be conditioned on, any state of facts an accurate survey or personal inspection of the Property may reveal, any existing rights-of-way, easements, encroachments, rights or claims of parties in possession, restrictive and protective covenants, flood zones, zoning or subdivision regulations, building ordinances, governmental agencies regulations, environmental conditions, hazardous materials, leases or tenancies, any mineral rights, and all title exceptions as set forth in the Title Commitment and Deed.
5. **INSPECTION RECOMMENDED; DISCLAIMER. PERSONAL ON-SITE INSPECTION OF THE PROPERTY IS RECOMMENDED AND BIDDER IS ADVISED TO INDEPENDENTLY VERIFY ALL INFORMATION BIDDER MAY DEEM IMPORTANT. EXCEPT AS OTHERWISE EXPRESSLY STATED IN THE PURCHASE AGREEMENT, THE PROPERTY IS BEING SOLD “AS IS, WHERE IS” AND “WITH ALL FAULTS” AND HERITAGE, SELLER AND AUCTIONEER HAVE NOT MADE, DO NOT MAKE AND WILL NOT MAKE, AND HEREBY DISCLAIM, ANY REPRESENTATION OR WARRANTY, WHETHER EXPRESSED OR IMPLIED OR STATUTORY, WHETHER ORAL OR WRITTEN, WITH RESPECT TO THE PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY AS TO ITS VALUE, CONDITION, SQUARE FOOTAGE, SUITABILITY, MERCHANTABILITY, OPERABILITY, ZONING OR SUBDIVISION REGULATIONS, MINERAL RIGHTS, ENVIRONMENTAL CONDITION OR FITNESS FOR A PARTICULAR USE OR PURPOSE. NO GUARANTEES ARE GIVEN AS TO THE AVAILABILITY OF UTILITIES OR ACCESSES, OR ALLOWABLE OR PERMITTED USES ON THE PROPERTY.**
6. Property Inspection. All information contained in the auction brochure, the Due Diligence Package and all promotional materials, including, but not limited to, photographs, directions, acreage, square footage, dimensions, zoning, maps in the brochure and other maps used for promotion, environmental conditions, taxes, etc., was provided by or on behalf of Seller and the tax assessor’s office, and is believed to be correct; however, neither Seller nor Heritage nor Auctioneer makes any promise, representation, guarantee, or warranty as to the accuracy or completeness of such information. There is no obligation on the part of Seller, Heritage or Auctioneer to update any information. Buyer and its representatives shall be responsible for verifying all acreage and square footage amounts of the Property. The Property has not been surveyed for this Auction. Seller will convey the Property in accordance with the legal description contained in the Deed. Buyer should retain its own professionals to conduct and/or verify any survey of the Property. Should Buyer desire a survey, it shall be

at Buyer's option and expense. Should the final survey show a greater or lesser number of acres than recited on the survey sales map, it will not affect the purchase and no adjustment will be made to the purchase price of the Property. Certain disclosures concerning the Property are attached hereto as Schedule B.

7. Pre-Bid. A credit equal to three percent (3%) of Buyer's written pre-bid amount (the "**Pre-Bid**") set forth in the Bidder Registration Form executed by the Buyer (the "**Bidder Registration Form**") will be deducted from the total contract price of the Property, provided Buyer is not represented by a broker and Bidder has properly completed the Bidder Registration Form and submitted the same to Heritage by the deadline stated in such form.

8. Buyer's Broker Participation. A three percent (3%) commission based on the Pre-Bid (and excluding the Buyer's Premium amount) will be paid to the qualified, licensed real estate broker representing the Buyer (the "**Buyer's Broker**") provided that such Buyer's Broker and the Buyer have properly and timely executed and delivered to Heritage the Buyer's Broker Registration Form provided to Bidder (the "**Buyer's Broker Registration Form**"). In addition, a one percent (1%) commission will be paid to the Buyer's Broker on the difference between the Pre-Bid and the Winning Bid. In order to receive any commission described in this paragraph, the Buyer and Buyer's Broker must comply with all terms of the Buyer's Broker Registration Form. Each Bidder and its Buyer's Broker must execute and deliver to Heritage the Buyer's Broker Registration Form by the deadline stated on the Buyer's Broker Registration Form. The Buyer's Broker Registration Form shall be incorporated into the Purchase Agreement.

9. Bidder Registration. Bidders must register for the Auction by delivering the Bid Deposit (defined below) and executing and delivering this Agreement, Bidder Registration Form or, if applicable, the Buyer's Broker Registration Form. Upon registering, Bidder will be provided with a bidding number in order to participate in the Auction and bid on the Property. Bidder's bidding number must be presented when a Bidder is declared by Auctioneer to have placed the Winning Bid. By providing advance written notice to Heritage, a Bidder may appoint a representative to place bids at the Auction on Bidder's behalf. Any person bidding on behalf of a Bidder must have a valid, legally enforceable, unexpired, and recordable Power of Attorney approved by Heritage prior to the Auction. With Heritage's prior approval, a Bidder (or its representative) may place bids at the Auction by telephone.

10. Bid Deposit. To register to bid, Bidder must deliver a certified check (made payable to the Bidder), a wire transfer to the Escrow Agent (as defined below), or a personal check with a bank letter of guarantee, made payable to the Escrow Agent, in the amount of \$100,000.00 prior to the commencement of the Auction (the "**Bid Deposit**"). If Bidder is declared by the Auctioneer to have placed the Winning Bid, at the conclusion of the Auction Bidder shall endorse the check for the Bid Deposit and deliver the check to the Escrow Agent (as defined below). At the conclusion of the Auction, all Bid Deposits will be returned to those Bidders who did not place the Winning Bid.

11. Earnest Money Deposit. If Bidder is declared by the Auctioneer to have placed the Winning Bid, Bidder shall deliver at the end of the Auction to an escrow agent designated by Heritage (the "**Escrow Agent**") an earnest money deposit in an amount equal to at least ten percent (10%) of the of the sum of the Winning Bid and the Buyer's Premium (the "**Earnest Money Deposit**"), less an amount equal to the Bid Deposit. The Earnest Money Deposit may be paid by wire transfer, by certified check or by personal check. If Bidder places the Winning Bid by Telephone, the Earnest Money Deposit must be delivered by wire transfer of immediately available funds to Escrow Agent within 24 hours following the end of the Auction.

12. Purchase Agreement. If Bidder is declared by the Auctioneer to have placed the Winning Bid, Bidder shall immediately execute and deliver the Purchase Agreement. **NO CHANGES BY BUYER TO THE PURCHASE AGREEMENT WILL BE PERMITTED**. If for any reason the Buyer fails or refuses to deliver the Earnest Money Deposit or to execute the Purchase Agreement immediately after being declared by Auctioneer to have placed the Winning Bid, Seller and Heritage reserve the right to declare the Bidder's rights with respect to the Auction and the Property forfeited and may resell the Property and retain the Bid Deposit as liquidated damages. Neither Seller, Heritage nor any of their respective brokers or representatives are making any representation or warranty as to the manner in which the Auction will be conducted. The Purchase Agreement shall incorporate the terms of this Agreement.

13. Closing. The closing of the purchase and sale of the Property pursuant to the Purchase Agreement shall occur on or before or on such other date as provided in the Purchase Agreement (the "**Closing**"). All deposits and down payments made by Bidders and Buyer shall be held by the Escrow Agent in a non-interest bearing escrow account. Heritage shall not be involved in any way with the closing of any real estate transaction. The Closing will be handled exclusively by third-party real estate professionals.

14. Closing Costs. At Closing, all ad valorem taxes and any other applicable taxes and fees (including, without limitation, any county and fire district taxes) for the Property shall be prorated between Buyer and Seller based upon the applicable number of days the Property is owned by Seller versus owned by Buyer. Seller will pay the fee for the preparation of the cost of preparing legal documents to transfer the Property and to release any liens or encumbrances on the Property to allow conveyance to the Buyer in accordance with the Purchase Agreement. Buyer shall pay all other closing costs, including (without limitation) Deed recording fees, any applicable transfer taxes and/or deed stamps, and all title searches, title insurance and surveys.

15. DISCLAIMER REGARDING HERITAGE AND AUCTIONEER. **BIDDER AND BUYER SHALL LOOK ONLY TO SELLER AS TO ALL MATTERS REGARDING THE AUCTION, THE PROPERTY AND THE PURCHASE**

AGREEMENT, AND HERITAGE LUXURY PROPERTY AUCTIONS, INC., AUCTIONEER AND THEIR RESPECTIVE AFFILIATES AND REPRESENTATIVES MAKE NO REPRESENTATIONS OR WARRANTIES CONCERNING THE PROPERTY AND SHALL NOT BE RESPONSIBLE OR LIABLE IN ANY WAY TO BIDDER, BUYER, ANY BROKER OR ANY OTHER PERSON OR ENTITY WITH RESPECT TO THE AUCTION, THE PROPERTY OR THE PURCHASE AGREEMENT, INCLUDING, WITHOUT LIMITATION, ANY CLAIM RELATING TO SELLER'S BREACH OF THE PURCHASE AGREEMENT. ANY THIRD PARTY BROKER IS NOT A SUBAGENT OF HERITAGE OR ANY OF ITS AFFILIATES OR REPRESENTATIVES AND NONE OF HERITAGE OR ANY OF ITS AFFILIATES OR REPRESENTATIVES SHALL HAVE ANY OBLIGATION WHATSOEVER TO MAKE ANY PAYMENT TO ANY BROKER.

16. AUCTIONEER DISCLOSURE. THE AUCTIONEER IS ACTING EXCLUSIVELY AS THE AGENT FOR SELLER IN THIS TRANSACTION AND IS TO BE PAID A FEE BY SELLER PURSUANT TO A SEPARATE WRITTEN AGREEMENT BETWEEN SELLER AND THE AUCTIONEER. THE AUCTIONEER IS NOT ACTING AS AGENT IN THIS TRANSACTION FOR THE BIDDER OR BUYER OR ANY BROKER. ANY THIRD PARTY BROKER IS NOT A SUBAGENT OF AUCTIONEER AND AUCTIONEER SHALL HAVE NO OBLIGATION WHATSOEVER TO MAKE ANY PAYMENT TO ANY BROKER.

17. Bidder's Representations and Warranties. Bidder hereby represents and warrants that: (a) Bidder is in no way, shape, or form bidding on behalf of Seller, or for Seller's benefit, (b) Bidder has no personal, business, or other relationship with the Seller, (c) Bidder has the financial resources necessary to complete the timely acquisition of the Property, as and when required, pursuant to this Agreement and the Purchase Agreement, at the bid price offered by the Bidder, plus the required Buyer's Premium, (d) Bidder is of legal age and has full legal capacity and authority to understand, execute and deliver this Agreement, (e) Bidder has received and carefully reviewed and understood, prior to the execution of this Agreement, the Due Diligence Package and all of the materials included therein, (f) Bidder has been given the opportunity to obtain all professional testing and inspection of the Property, (g) Bidder has independently inspected and reviewed the Property, including (without limitation) the following matters regarding the Property: (i) the title of Seller to the Property; (ii) the condition and state of repair and/or lack of repair of all improvements on the Property; (iii) the existence and condition of any and/or all personal property at the Property; and (iv) the nature, provisions and effect of all health, fire, environmental, building, zoning, subdivision and all other use and occupancy laws, ordinances and regulations applicable to the Property.

18. Bidder's Acknowledgements. Bidder acknowledges and agrees that Bidder is fully and solely liable for the deposits required under this Agreement, and the full purchase price of the Property should Auctioneer declare that Bidder has placed the Winning Bid. Bidder further acknowledges and agrees that: (a) **EXCEPT AS OTHERWISE EXPRESSLY STATED IN THE PURCHASE AGREEMENT, THE PROPERTY WILL BE SOLD "WHERE IS" IN AN "AS IS" CONDITION WITH NO WARRANTY, EXPRESS OR IMPLIED, ABOUT SUCH CONDITION AND BIDDER ACCEPTS ALL DEFECTS REGARDING THE PROPERTY, BOTH APPARENT AND LATENT, AT BIDDER'S OWN, ABSOLUTE AND EXCLUSIVE RISK,** (b) none of Heritage, Auctioneer or any of their respective representatives will have any liability or obligation whatsoever for the physical condition of the Property or for any inaccuracy in or omission from any written information and materials regarding the Property, including, but not limited to, inaccuracies made in reports drafted by third parties, such as title reports, surveys and environmental reports, or changes concerning the Property between the date of such reports, surveys, written information and materials and the date hereof, (c) because of the pace of the Auction bidding, Auctioneer is not able, and therefore not obligated, to recognize nor record each of the Bidders at any bid level during open outcry except the high bidder, and (d) any collusion between Bidders is strictly prohibited by this Agreement and applicable law.