

READ THESE TERMS OF SALE CAREFULLY. BY PARTICIPATING IN THE AUCTION YOU AGREE TO THESE TERMS AND MAKE REPRESENTATIONS AS SET OUT HEREIN. THESE TERMS ARE LEGALLY BINDING AND IF YOU VIOLATE ANY OF THEM, HUDSON & MARSHALL OF TEXAS (HUDSON & MARSHALL OF TEXAS AND ITS EMPLOYEES, AGENTS AND REPRESENTATIVES HEREAFTER ARE REFERRED TO AS "AUCTIONEER") OR THE SELLER MAY SEEK LEGAL RELIEF, INCLUDING BUT NOT LIMITED TO REPORTING YOUR CONDUCT TO APPROPRIATE LAW ENFORCEMENT ENTITIES. PLEASE NOTE THAT THESE TERMS INCLUDE AN AGREEMENT BY WHICH YOU INDEMNIFY SELLER AND AUCTIONEER.

**TERMS OF SALE:** IF YOU SUCCESSFULLY BID ON A PROPERTY, YOU WILL BE REQUIRED TO PUT \$TBD DOWN WHICH MUST BE IN THE FORM OF A CASHIER'S CHECK MADE PAYABLE TO YOURSELF, OR CASH. THIS IS A CASH SALE AND IS NOT CONTINGENT ON THE BUYER'S ABILITY TO OBTAIN FINANCING. EARNEST MONEY IS NOT CONSIDERED AN "OPTION" PAYMENT. YOU ARE AGREEING TO CLOSE ON THE PROPERTY WHEN YOU SUCCESSFULLY BID ON THE PROPERTY. **IF YOU ARE NOT CERTAIN THAT YOU WANT TO PURCHASE THE PROPERTY, DO NOT BID ON IT.** IF YOU HAVE NOT INSPECTED THE PROPERTY AND DESIRE TO DO SO BEFORE PURCHASING THE PROPERTY, DO NOT BID ON THE PROPERTY. THE \$1000.00 DOWN (IN CERTIFIED FUNDS OR CASH) WILL BE YOUR EARNEST MONEY DEPOSIT FOR THE PROPERTY AND **WILL NOT BE REFUNDED UNDER ANY CIRCUMSTANCES. IF YOU HAVE EVER PROVIDED A CASHIER'S CHECK OR A PERSONAL OR COMPANY CHECK FOR YOUR EARNEST MONEY WHICH HAS BEEN RETURNED FOR ANY REASON, INCLUDING BUT NOT LIMITED TO, BEING DECLARED "NSF", BEING DRAWN ON A CLOSED ACCOUNT, BEING FRAUDULENT, OR HAVING A STOP ORDER PLACED ON IT, YOU ARE NOT ELIGIBLE TO PARTICIPATE IN ANY BIDS AND MAY NOT PARTICIPATE IN ANY AUCTION. YOU MAY BE ASKED TO LEAVE.** IF DESPITE THIS NOTICE YOU APPEAR AT THE AUCTION AND ATTEMPT TO PARTICIPATE IN THE BIDDING ON ANY PROPERTY, YOUR BIDS WILL BE DISREGARDED AND THE OTHER BIDDERS MAY BE INFORMED THAT YOU ARE NOT ELIGIBLE TO PARTICIPATE IN THE AUCTION AND TO DISREGARD YOUR BIDS.

FOR PROPERTIES SELLING FOR \$10,000 OR LESS, THE PURCHASER MUST PAY FOR THE PROPERTY IN FULL ON SALE DAY. ANY BUYER NOT CLOSING WITHIN THE CONTRACTUAL TIME PERIOD TO CLOSE WILL FORFEIT HIS/HER EARNEST MONEY. PLEASE REVIEW THE SPECIFIC CONTRACT RELATING TO EACH PROPERTY TO DETERMINE CLOSING REQUIREMENTS. SUCCESSFUL BIDDERS MUST HAVE ADEQUATE FINANCIAL RESOURCES TO FULFILL BID COMMITMENTS. IF YOU SUCCESSFULLY BID ON A PROPERTY, YOU CONTRACT TO PURCHASE THE PROPERTY FOR THE BID AMOUNT FURTHER, BY PARTICIPATING IN THE AUCTION YOU ARE REPRESENTING TO AUCTIONEER AND THE SELLER THAT YOU HAVE ADEQUATE FINANCING AND THAT YOU HAVE DONE SUFFICIENT DUE DILIGENCE TO BID ON THE PROPERTY AND PAY THE AMOUNT BID. BY PARTICIPATING IN THE AUCTION, YOU ACKNOWLEDGE THAT AUCTIONEER AND THE SELLER ARE RELYING ON YOUR REPRESENTATION OF SUFFICIENT FUNDING. YOU FURTHER ACKNOWLEDGE BY YOUR PARTICIPATION IN THE AUCTION THAT AUCTIONEER AND THE SELLER WILL BE INJURED IF YOU DO NOT HAVE SUFFICIENT FINANCING OR HAVE NOT ALREADY SATISFIED YOURSELF AS TO THE CONDITION OF THE PROPERTY AND ITS VALUE, INCLUDING LOSSES OF RESOURCES USED TO MARKET THE PROPERTY AND CONDUCT THE AUCTION.

THE SUCCESSFUL BIDDER FOR EACH PROPERTY SHALL EXECUTE AN "AUCTION REAL ESTATE SALES CONTRACT" FOR EACH PROPERTY IMMEDIATELY AFTER BEING DECLARED THE SUCCESSFUL BIDDER BY THE AUCTIONEER. COPIES OF THIS SALES CONTRACT ARE AVAILABLE FOR REVIEW PRIOR TO THE AUCTION AT THE AUCTION INFORMATION OFFICE OR BY CALLING THE AUCTIONEERS.

**SPECIAL NOTE & BUYER'S PREMIUM FEE: A BUYER'S PREMIUM FEE OF 5% WILL BE ADDED TO THE FINAL BID AMOUNT ON EACH PROPERTY SOLD AT THIS AUCTION. THE BID AMOUNT PLUS THE BUYER'S PREMIUM EQUALS THE FINAL PURCHASE PRICE.**

**CLOSING:** ALL PROPERTIES MUST CLOSE ON OR BEFORE 30-45 DAYS AFTER THE AUCTION, DEPENDING ON THE SELLER. ALL PROSPECTIVE BIDDERS SHOULD CONSIDER ENGAGING COUNSEL OF THEIR OWN CHOOSING TO EXAMINE THE COMMITMENT FOR TITLE INSURANCE AND ALL MATTERS REFERRED TO THEREIN AS AFFECTING THE STATE OF TITLE OF PROPERTIES ON WHICH THEY INTEND TO BID. SELLER AND AUCTIONEER MAKE NO WARRANTIES OR REPRESENTATIONS, EXPRESSED OR IMPLIED, WRITTEN OR ORAL, WITH RESPECT TO THE STATE OF TITLE OF ANY OF THE PROPERTIES, THE TITLE COMPANY, OR OF THE CORRECTNESS OR COMPLETENESS OF THE INFORMATION CONTAINED IN THE COMMITMENT FOR TITLE INSURANCE. SELLER SHALL PAY ALL CURRENT AD VALOREM TAXES AND CONDO FEES ASSESSED AGAINST THE PROPERTY UP TO THE DATE OF CLOSING.

**BUYER'S NOTE:** ANY PERSON ATTENDING THE AUCTION IS A GUEST OF THE AUCTION COMPANY AND SUBJECT TO REMOVAL BY THE AUCTION COMPANY AT ITS DISCRETION. ON THE DAY OF THE SALE, NO MODIFICATION TO THE FORM OF THE CONTRACT WILL BE ACCEPTED. THE FAILURE TO EXECUTE THE CONTRACT IN THE FORM PRESENTED OR TO RENDER THE EARNEST MONEY DEPOSIT ON THE DAY OF THE SALE MAY RESULT, AT SELLER'S OPTION, IN A VOIDING OF THE SALE AND RESULTING IN THE SALE OF THE PROPERTY TO THE NEXT HIGH BIDDER, OR PLACEMENT OF THE PROPERTY BACK IN THE AUCTION.

AUCTIONEER RESERVES THE RIGHT TO AD OR DELETE ANY PROPERTY FROM THIS AUCTION OR TO ALTER THE ORDER OF SALE FROM THAT PUBLISHED HEREIN OR ELSEWHERE. BIDDERS ARE RESPONSIBLE TO PERFORM DUE DILIGENCE, INCLUDING BUT NOT LIMITED TO PERSONAL ON-SITE INSPECTION OF EACH PROPERTY PRIOR TO THE AUCTION. ALL PROPERTIES SELL "AS IS-WHERE IS" WITH NO WARRANTIES EXPRESSED OR IMPLIED. ALL PROPERTIES WILL BE CONVEYED BY SPECIAL WARRANTY DEED. **THE INFORMATION SET FORTH HEREIN HAS NOT BEEN INDEPENDENTLY VERIFIED BY SELLER OR AUCTIONEER. ITS ACCURACY IS NOT WARRANTED IN ANY WAY, INCLUDING, BUT NOT LIMITED TO, INFORMATION SET FORTH HEREIN CONCERNING UTILITIES, LEASE INFORMATION, ZONING, AND ACREAGE OF PARCEL AND SQUARE FOOTAGE OF IMPROVEMENTS AND ALL PHOTOGRAPHS.** BUYER AGREES THAT THEY ARE NOT RELYING ON THE INFORMATION PROVIDED IN DECIDING WHETHER TO BID ON THE PROPERTY AND HAVE CONDUCTED THEIR OWN DUE DILIGENCE INVESTIGATION PRIOR TO THE AUCTION. THERE IS NO OBLIGATION ON THE PART OF SELLER OR THE AUCTIONEER TO UPDATE THIS INFORMATION. ALL ANNOUNCEMENTS MADE AT THE AUCTION TAKE PRECEDENCE OVER ALL OTHER ADVERTISING. THE SELLERS AND AUCTIONEER DO NOT HAVE ANY LIABILITY WHATSOEVER FOR ANY ORAL OR WRITTEN REPRESENTATION, WARRANTS OR AGREEMENTS RELATING TO THE PROPERTY (INCLUDING INFORMATION APPEARING IN THIS BROCHURE OR ANNOUNCEMENTS

MADE AT THE TIME OF THE AUCTION) EXCEPT THOSE OF THE SELLER(S) AS EXPRESSLY SET FORTH IN THE "AUCTION REAL ESTATE SALES CONTRACT." **PROPERTIES IDENTIFIED IN THIS BROCHURE AS "ABSOLUTE" ARE SOLD TO THE HIGHEST BIDDER. THE PROPERTIES NOT IDENTIFIED AS "ABSOLUTE" ARE BEING AUCTIONED WITH A RESERVE. ALL RESERVE PROPERTIES ARE NOT SOLD UNTIL SELLER APPROVAL. PROPERTIES IDENTIFIED AS ABSOLUTE ARE AVAILABLE "ABSOLUTE" ON AUCTION DAY ONLY.**

THERE IS NO MINIMUM -STARTING BID REQUIRED ON ANY UNIT. THERE IS NO OBLIGATION ON THE PART OF THE SELLER TO ACCEPT ANY BACKUP BIDS IN THE EVENT THE HIGH BIDDER FAILS TO PERFORM.

**AGENCY DISCLOSURE: AUCTIONEER AND ALL LICENSEES EMPLOYED BY OR ASSOCIATED WITH AUCTIONEER REPRESENT THE SELLER IN THE SALE OF THESE PROPERTIES.**

Broker participation invited: up to 2.5% buyer broker commission, before the inclusion of the buyer premium, will be paid to brokers who represent a purchaser on any auction property. You must perform the duties below to receive a selling commission for representing the buyer:

- Review the "Terms and Conditions of Sale" with each client you are representing.
- Professionally assist your client by providing relevant advice and property information.
- Preview the property with your client prior to attending the auction.
- Attend the auction and fill out the "Broker Registration Statement" with your client before the auction begins.
- Accompany your client(s) into the contract room following the auction and sign their contract.

Each step must be completed. If any of these steps have been omitted, the broker will not be paid a commission.

THERE WILL BE NO EXCEPTIONS. BIDDERS WILL BE REQUIRED TO ACKNOWLEDGE BUYER BROKER RELATIONSHIP AS THEY REGISTER AT THE SALE. BY BIDDING, EACH BIDDER AND BUYER BROKER AGREE TO INDEMNIFY AND HOLD HARMLESS SELLER AND AUCTIONEER FOR ANY AND ALL CLAIMS FOR COMPENSATION MADE BY ANY PERSON OR ENTITY IN CONNECTION WITH THE AUCTION. ON-SITE SOLICITATION OF BUYERS ON THE DAY OF THE AUCTION IS PROHIBITED AND IS GROUNDS FOR REMOVAL FROM THE AUCTION AT THE SOLE DISCRETION OF THE HUDSON & MARSHALL STAFF. NO COMMISSIONS WILL BE CONSIDERED EARNED AND SHALL NOT BE PAID TO A BROKER THAT SOLICITS A BUYER ON-SITE THE DAY OF THE AUCTION. **NOTE: FOR CERTAIN PROPERTIES NEITHER SELLERS NOR AUCTIONEER WILL PAY COMMISSIONS TO A BROKER PARTICIPATING IN THE PURCHASE OF THE PROPERTY. BROKERS MAY NOT REPRESENT THEMSELVES OR ANY IMMEDIATE FAMILY MEMBERS (I.E. SPOUSE, SIBLINGS, PARENTS, ETC.). IN ADDITION, BROKERS MAY NOT BE A PARTY TO ANY ENTITY SUCH AS A CORPORATION, BUSINESS, OR TRUST PURCHASING A PROPERTY.**

**PLEASE CHECK WITH H&M FOR DETAILS ON THE APPLICABILITY OF THIS FOR THE SPECIFIC PROPERTY YOU ARE INTERESTED IN.**

**Disclaimers:**

(a) The property will be sold by seller to buyer on an "as is, where is, and with all faults" basis. Buyer accepts all faults of the property whether known or unknown, presently existing or that may hereafter arise. Buyer acknowledges and agrees that the seller and the auctioneer have

not made, does not make and specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guarantees of any kind or character whatsoever, whether expressed or implied, oral or written, past, present or future, or, as to, concerning or with respect to: (i) the value, nature, quality or condition of the property, including, without limitation, the water, soil and geology; (ii) the income to be derived from the property; (iii) the suitability of the property for any and all activities and uses which buyer may conduct therefrom; (iv) the compliance of or by the property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (v) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the property; (vi) the manner or quality of the construction or materials, if any, incorporated into the property; (vii) the manner, quality, state of repair of the property; (viii) the existence of any view from the property or that any existing view will not be obstructed in the future; or (ix) any other matter with respect to the property, and specifically, without limitation, that seller has not made, does not make, and specifically disclaims any representation regarding compliance with the Americans with Disabilities Act or with any environmental protection, pollution or land use laws, rules, regulations, orders or requirements, including solid waste (as defined by the U.S. Environmental Protection Agency regulations at 40 C.F.R., Part 261), or the disposal or existence, in or on the property, of any hazardous substance (as defined by the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, and regulations promulgated thereunder).

(b) Buyer further acknowledges and agrees that having been given the opportunity to inspect the property, buyer is relying solely on buyer's own investigation of the property and not on any information provided or to be provided by seller or broker or auctioneer. Buyer further acknowledges and agrees that any information provided by or on behalf of seller with respect to the property including, without limitation, all information contained in any property information package previously made available to buyer by seller and broker was obtained from a variety of sources and that seller and broker and auctioneer have not made any independent investigations or verification of such information and make no representation as to the accuracy or completeness of such information. Bidder acknowledges that seller and auctioneer and their employees, agents, affiliates, and associates reserve the right to place bids on properties up to the sellers' reserve price, if desired, at their sole discretion. Purchaser understands that sellers shall not tender bids above its reserve price.

(c) Seller and auctioneer and their employees, agents, contractors, officers and directors shall not be liable or bound in any manner by any oral or written statements, representations or information pertaining to the property, or the operation thereof, that is furnished by any real estate broker, agent, employee or other person. Buyer acknowledges that seller or an affiliated entity of seller may have acquired the subject property by foreclosure or by deed in lieu of foreclosure and, accordingly, has little or no familiarity therewith. Buyer further acknowledges that seller has not built the property, seller makes no representations or warranties with respect to the physical condition or any other aspect of the property, including without limitation the structural integrity of any improvements on the property, the conformity of the improvements to any plans or specifications for the property that may be provided to buyer, the conformity of the property to applicable zoning or building code requirements, the existence of soil instability, past soil repairs, susceptibility to landslides, sufficiency of undershoring, sufficiency of drainage, or any other matter affecting the stability or integrity of the land or any buildings or improvements situated thereon.

(d) Buyer and anyone claiming by, through or under buyer hereby fully and irrevocably release seller and broker and auctioneer and their respective employees, officers, directors, representatives and agents from any and all claims that buyer may now have or hereafter acquire against seller and broker, their employees, officers, directors, representatives and

agents for any cost, loss, liability, damage, expense, demand, action or cause of action arising from or related to any construction defects, errors, omissions or other conditions, including environmental matters, affecting the property, or any portion thereof. This release includes claims of which buyer is presently unaware or which buyer does not presently suspect to exist in his favor which, if known by buyer, would materially affect buyer's release of seller and broker and auctioneer. It is understood and agreed that the purchase price has been adjusted by prior negotiation to reflect that the property is sold by the seller and purchased by buyer subject to the foregoing.

(e) BUYER ASSUMES ENTIRE RESPONSIBILITY AND LIABILITY FOR ANY CLAIM OR ACTIONS BASED ON OR ARISING OUT OF INJURIES, INCLUDING DEATH, TO PERSONS OR DAMAGES TO OR DESTRUCTION OR LOSS OF PROPERTY, SUSTAINED OR ALLEGED TO HAVE BEEN SUSTAINED BY BUYER, ITS AGENTS, PRINCIPALS AND/OR EMPLOYEES, IN CONNECTION WITH OR TO HAVE ARISEN OUT OF OR INCIDENTAL TO THE AUCTION, INCLUDING BUT NOT LIMITED TO THE PERFORMANCE OF THIS CONTRACT, REGARDLESS OF WHETHER SUCH CLAIMS OR ACTIONS ARE FOUNDED IN WHOLE OR IN PART UPON ALLEGED NEGLIGENCE OR NEGLIGENT MISREPRESENTATIONS OF SELLER, AUCTIONEER, OR THE EMPLOYEES, AGENTS, INVITEES, OR LICENSEES THEREOF. BUYER FURTHER AGREES TO INDEMNIFY AND HOLD HARMLESS SELLER, AUCTIONEER AND THEIR REPRESENTATIVES, AND THE EMPLOYEES, AGENTS, INVITEES AND LICENSEES THEREOF IN RESPECT OF ANY SUCH MATTERS AND AGREES TO DEFEND ANY CLAIM OR SUIT OR ACTION BROUGHT AGAINST SELLER, AUCTIONEER, AND EMPLOYEES, AGENTS, INVITEES, AND LICENSEES THEREOF.