



TERMS AND CONDITIONS OF SALE: 190 Acres, Jonestown, TX- "Waterscape Property"

1. **AUCTION SALE:** Re/Max Austin Associates is representing the Sellers and Market Realty Auction Services is conducting the Auction Sale of the properties in this Real Estate Auction.
2. **AUCTION DATE AND LOCATION:** This property will be sold via auction, with absentee & online bids taken until May 3, 2012 at 12 PM CST. Live auction to be held on Friday, May 4, 2012 at (Auction Location TBA); Address is (TBA), starting at 11 AM.
3. **BIDS:** The seller has established a non-disclosed, minimum reserve selling price. All high bids are subject to seller approval (prior to reaching the reserve). Bids below the minimum published bid will not be acknowledged on auction day.
4. **BIDDER REGISTRATION:** All prospective buyers must register to bid at www.marketrealty.com/auctions. After you have registered you will be contacted by the auction staff to complete the Bidder Certification page and the Agency Disclosure Form. Email these completed forms to auctions@marketrealty.com or fax them to (979) 836-6689. Once these forms have been received your registration will be approved and activated. Prospective Buyer check in and registration will also be done at the live auction site prior to the beginning of the auction. Buyer **MUST** submit CC Information or \$5,000 Cashier's Check in order to register to bid at Live Auction.
5. **SALE DOCUMENTS:** Buyers should personally inspect all properties that they are interested in submitting a bid. Buyers assume all risk associated with any inspection of a property. Buyers should review all documents prior to executing and have them examined by an attorney if desired. Documents that will be available to the buyer, IF in the seller's possession are: Earnest Money Contract, Copy of Title Commitment or previous Title Policy, Existing Leases, Owner's Disclosure Statement, Existing Survey, Agency Disclosure Statement, Operating Statement for Income Properties, or any other document that buyer may request, if available to seller. There will be no inspection reports provided by the seller. Each buyer is responsible to inspect the properties prior to the auction and to satisfy themselves as to the condition of the property. Buyers are encouraged to consult an attorney, licensed inspector, engineer, surveyor or other professional in conjunction with the purchase of a property.
6. **EARNEST MONEY & BID DEPOSIT:** At the conclusion of bidding on the property, the successful bidder will be required to confirm its bid amount with a non-refundable earnest money deposit in the form of a cashier's or certified check, wire transfer, cash, or other legal tender that has been pre-approved by the auction company in the amount of 10% (including applicable Cashier's Check) of bid amount, payable to Prominent Title within 24 hours of the offer acceptance. The offer will not be considered authenticated until the earnest money is received and the high bidder has signed an Auction Sale Earnest Money Contract ("Purchase Contract").
7. **BUYER'S PREMIUM:**
A 10% (ten percent) Buyer's Premium shall be charged and added to the successful bidder's high bid in order to determine the total contract price. Amount is due payable to Market Realty, INC. within 24 hrs after conclusion of auction.
9. **TITLE INSURANCE:** Title Insurance will be supplied by the Seller, at Seller's expense, giving Buyer clear and marketable title subject to title report provided. Prominent Title will provide the title insurance. Closing will take place at their offices located at 3101 Bee Caves Rd., Austin, TX 78746. Their

phone number is (512) 498-3500. Fax: (512) 498-3511.

10. CLOSING DATE: Closing will take place no later than 30 days after bid acceptance by Seller. Unless extended by the Seller, at its option, in writing. Requests for extensions must be made at least 5 days prior to the scheduled closing date. All extension requests are evaluated by the Seller on a case-by-case basis and are solely at Seller's discretion. Purchasers who fail to close in a timely manner shall forfeit their deposit and premium as liquidated damages. Seller retains the unilateral right to cancel escrow and retain the deposit in the event buyer fails to close as per the contract.

11. WARRANTIES: The sale is not contingent upon inspection and will not be extended for that purpose. The properties are being sold in their present condition. Neither Seller, Broker nor Auctioneer makes any warranties or representations, either expressed or implied, concerning the property. Neither Seller, Broker nor Auctioneer shall be liable for any relief, including damages, rescission, reformation, allowance or adjustment based on the failure of the property to conform to any specific standard or expectation.

12. BROKER PARTICIPATION: The licensed Real Estate Broker who conforms to the Broker Registration Form and whose prospect executes an Auction Sale Earnest Money Contract and closes escrow on the auction property will be paid a commission, exclusive of the Buyer's Premium, of 3% of the final accepted auction bid. To qualify for the commission, the licensed agent must register their client on our "Broker Registration Form" available at www.marketrealty.com/laketraavis or call 979-836-9600, and accompany their client to the auction. All Broker Registration Forms from Brokers must be signed by agent, broker and prospect and be received and acknowledged by Market Realty Auction Services prior to the bid being submitted. A separate broker registration form must be submitted for each client. All registration forms must be received at Market Realty Auction Services located at 2201 Becker Dr. Brenham, TX 77833, emailed to jess.buenger@marketrealty.com, or faxed to (979) 836-6689. Broker Registration Forms will not be accepted past the start of Live Auction, or after a bid is submitted.

13. SELLER'S & AUCTIONEER'S DISCLAIMER: All announcements made by the Auctioneer shall take precedence over any previously written material or oral statements made. Conduct of the auction, increments of the bidding and decisions as to the high bidder will be at the direction and sole discretion of the Auctioneer. The information contained in this Property Information Package is subject to the verification by all parties relying on it; no guarantee, expressed or implied, is given on the information contained in the Property Information Package. No liability for its accuracy, errors or omissions is assumed by the seller or their agents. All square footage and dimensions are approximate. Buyers shall rely entirely on their own judgment and inspection of the property and records. The property will be sold subject to the seller's confirmation of the high bid with every intention of selling the property on auction day. All auction properties are available for and subject to prior sale up to the date of the auction. The auctioneer retains the right to bid on behalf of the Seller.

14. PURCHASE CONTRACT: The highest bidder receives the right and obligation to become the purchaser under an Auction Sale Earnest Money Contract ("Purchase Contract"), which is available from the Auctioneer. Bidders are cautioned that they must be able to comply with the purchaser's representations under such Purchase Contract. Note that the purchaser under the Purchase Contract must be able to provide evidence of financial capability and pay an earnest for each parcel awarded in the form of cash or approved check. Note that the amount bid is not the only consideration which must be paid by the purchaser. In addition, the consideration includes a sharing or pro-ratio of closing costs and expenses, as is customary for similar sales of property in/near Jonestown, Texas. The highest bidder will be liable for breach of the Purchase Contract if the bidder cannot perform. Back-up Contracts will be received.

15. ADDITIONAL CONDITIONS

All sales will be sold and subject to the terms and conditions of the earnest money contract, and any exhibits attached to the earnest money contract. No claims or adjustments will be allowed, other than those contained in the earnest money contract. Seller allows Market realty Inc. and Auction Services to

consign additional properties be sold in conjunction with seller's property on the same date and time as described in this agreement.

THE PROPERTY WILL BE CONVEYED "AS IS", "WHERE IS", AND WITH ALL FAULTS AND SELLER MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER WHETHER EXPRESSED, IMPLIED OR STATUTORY, WITH RESPECT TO THE PROPERTY BEING CONVEYED, THE AVAILABILITY OF UTILITIES, ACCESS OF A PUBLIC ROAD, MECHANICAL SYSTEMS OR CONDITION, ADEQUACY OR SUITABILITY OF PROPERTY FOR BUYER'S PURPOSES. BUYER AGREES THAT BUYER IS NOT RELYING ON ANY WARRANTY OR REPRESENTATION OF SELLER OR ANY AGENT OR EMPLOYEE OF SELLER. SELLER MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, IN REFERENCE TO THE PROPERTY, INCLUDING BUT NOT LIMITED TO MATERIALS, QUALITY OR CONDITION OF WORKMANSHIP AND CONSTRUCTION, DESIGN, HABITABILITY, TENANTABILITY, FITNESS FOR A SPECIFIC PURPOSE, MERCHANTABILITY OR ENVIRONMENTAL CONDITION OF THE PROPERTY AND THE PRESENCE OF OR CONTAMINATION BY HAZARDOUS MATERIALS AND SELLER HEREBY DISCLAIMS ANY SUCH WARRANTY. BUYER ACCEPTS THE PROPERTY BASED UPON BUYERS INSPECTION OF THE PROPERTY AND THAT (a) THE PHYSICAL CONDITION OF THE PROPERTY IS ACCEPTABLE TO BUYER, (b) WHETHER ANY PORTION OF THE PROPERTY IS LOCATED IN A FLOOD HAZARD AREA, (c) WHETHER ANY GEOLOGICAL FAULT OR UNSATISFACTORY SOIL CONDITIONS EXIST ON THE PROPERTY, AND (d) THAT ALL ENVIRONMENTAL CONDITIONS RELATING TO THE PROPERTY ARE ACCEPTABLE TO BUYER. BUYER ACKNOWLEDGES THAT CERTAIN PROPERTIES MAY HAVE BEEN ACQUIRED BY FORECLOSURE, DEED IN LIEU OF FORECLOSURE OR OTHER REALIZATION OF A SECURITY INTEREST IN THE PROPERTY. BUYER FURTHER ACKNOWLEDGES THAT CERTAIN SELLERS MAY NOT HAVE OCCUPIED THE PROPERTIES AND THEREFORE, THE PROPERTY MAY CONTAIN DEFECTS OR MAY BE IN NEED OF REPAIR. IT IS THE RESPONSIBILITY OF ALL BUYERS TO INSPECT PROPERTIES PRIOR TO SUBMITTING A BID AND BUYER ACKNOWLEDGES IT HAS HAD REASONABLE OPPORTUNITY TO INSPECT THE PROPERTY. NO ADJUSTMENTS WILL BE MADE TO ANY CONTRACT SALES PRICE IN REGARD TO CONDITION OF THE PROPERTY. IN THE EVENT OF A CONFLICT OR DISPUTE OVER THE TERMS AND CONDITIONS, THE EARNEST MONEY CONTRACT SHALL TAKE PRECEDENCE OVER ANY PUBLISHED INFORMATION CONCERNING THE SALE. BUYER HAS HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL AND BUYER, WITH BUYER'S COUNSEL, HAS FULLY REVIEWED THE DISCLAIMERS AND WAIVERS SET FORTH IN THIS PARAGRAPH AND UNDERSTANDS THE SIGNIFICANCE OF EACH AND AGREES THAT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH HEREIN ARE AN INTEGRAL PART OF THIS AGREEMENT, AND THAT SELLER WOULD NOT HAVE AGREED TO SELL THE PROPERTY TO BUYER FOR THE PURCHASE PRICE WITHOUT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH IN THIS PARAGRAPH. IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT ALL OF THE PROPERTY IS SOLD AND CONVEYED BY SELLER AND PURCHASED AND ACCEPTED BY BUYER SUBJECT TO THE FOREGOING. This provision shall survive closing and not merge with any other instrument executed or delivered at closing.

BUYER'S SIGNATURE

DATE

BUYER'S PRINTED NAME