

Davis Auctioneers, L. P.

P. O. Box 2195, Burleson, TX 76097

www.davisauctiontx.com

Home/ Off: 817-447-9805 --- Fax: 817-447-6423 --- Cell: 817-291-7281

Luther Davis*** Auctioneer TX # 8325***Realtor

Terms and Conditions of Real Estate at Auction

Sale Location: 232 Gregory St., Joshua, TX 76058

Date and Time of Sale: September 20, 2008 at 12:00 PM

Registration: By registering with Davis Auctioneers, L. P. (hereinafter the Auctioneer) and receipt of a Bidder Registration Card, the Bidder hereby acknowledges and agrees to the following Terms and Conditions of Real Estate at Auction as well as the Contract and its Addenda which are incorporated by reference into your bidding. Any announcements made the day of the auction by Auctioneer take precedence over any and all other information. Do not bid unless you have registered, received a Bidder Card, Terms and Conditions of Real Estate at Auction, and agree to be bound by the terms of the Contract. The sale of the property will not be cancelled due to Bidder misunderstanding, failure to pay attention to the bidding, or failure to inspect the property. Broker participation is invited.

To register and bid, Bidders are required to fill out and turn in the Bidder Registration Form for Real Estate at the sale site, and provide proof of bid deposit along with a current drivers license or other current photo ID. Use of the bidder number by Bidder or any other person is presumed to be with the consent of and contractually binding on the registered Bidder.

Terms: At the conclusion of the bidding of the real estate, the successful or high Bidder must immediately pay \$5,000.00 in the form of a non-refundable cashier's check as earnest money and sign the Contract and any other addenda as a written offer on the property. Cashier's check should be made payable to yourself. Within 3 business days of the acceptance of the purchase price by the seller, the high Bidder shall deliver 10% of the total purchase price less the \$5000.00 earnest money deposit, in the form of a cashier's check made payable to yourself, to Davis Auctioneers, L. P. Any required surveys, appraisals, or lender fees shall be at the Buyer's expense. Personal or business checks, bank letter of guarantees, or letters of credit will not be accepted. Should the high Bidder fail to deliver the earnest money, Seller shall have all rights and remedies provided in the Terms and Conditions, including the right to retain the earnest money of the high Bidder as liquidated damages.

Closing: The closing agent is North American Title Company, 240 E. Renfro, Suite 100, Burleson, Texas, 76028. The balance of the purchase price and all closing costs, plus any other announced fees are due in cash at closing on or before 30 calendar days after the auction. Closing will be held on or before 30 calendar days of sale, with agreement of the date between Buyer and Seller. Only the Seller may at his/ her discretion extend the closing beyond 30 calendar days. Closing costs may generally include title exam, title policy, closing fees, filing costs, attorney fees, and any other fees noted and are the responsibility of the Buyer. Failure by the Buyer to make required payments within the specified time will result in forfeit in any right, title, and/ or interest Buyer may have acquired and all monies paid will be forfeited and the transaction shall be null and void as to Buyer. The property shall revert to the Seller without further notice to the Buyer. Real estate taxes shall be prorated as of the date of closing. Any required surveys or appraisals shall be at Buyer's expense. A sample of the Contract is furnished in this package.

Buyer's Premium: A 10% buyer's premium will be added to the final and high bid to calculate the final contract price. Example: for each \$1,000, a 10% buyer's premium of \$100 will be added to arrive at the total purchase price of \$1,100.

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Inspection: A Davis Auctioneers, L. P. representative will be on site from 2:00 PM to 4:00 PM, Sunday, September 14, 2008. The home will be shown at the inspection time listed and 2 hrs prior to the sale on auction day or by appointment. To schedule an appointment, you may call us at 817-291-7281.

Bidders are strongly encouraged and advised to inspect the property personally and with a professional of their choice prior to bidding. Your inspection or those inspecting the property on your behalf and attendance at this auction are at your own risk. Auctioneer, Broker, Seller, their agents and/ or employees, expressly disclaim any "invitee" relationship and shall not be liable to any person for damage to their person or property neither while in, on or about the property, nor shall they be liable for any defects, dangers, or conditions of the property. All persons enter the property and attend the auction at their own risk and shall defend, indemnify, save and hold harmless the Auctioneer, Broker, and Seller, their agents and / or employees from any and all liability attendant thereto.

Davis Auctioneers, L. P. represents the Seller only. Top Producers Real Estate represents the Seller but may also act as an Intermediary as provided for in a separate Listing Agreement. If such representation is provided, an Intermediary Relationship Notice will be required to be signed by both parties. Auctioneer and/or Top Producers Real Estate do not inspect properties on the Bidder's behalf. Read the Contract, Terms and Conditions, and/ or any Sale Day Notes to determine the existence of any disclosures, exclusions, representations, and disclaimers. Do not bid if you have not inspected the property as the Contract is non- contingent. Failure to inspect the property shall not constitute any cause for cancellation of the sale.

Payment: All properties are sold AS IS, WHERE IS WITH ANY AND ALL FAULTS FOR CASH with no financing, inspection or other contingencies to the sale. This is a CASH SALE. Failure to proceed with closing will result in forfeiture of the Buyer's earnest money.

Title: Buyers receive a deed and insurable title to the property as evidenced by the Title Insurance offered by the Closing Agents indicated in the Contract. Owner's title insurance will be at Buyer's expense. Property will be conveyed by General Warranty Deed.

Bidding: The Auctioneer will call the sale (open oral bidding) and control any increments of the bidding. To make a bid, you may raise your hand or Bidder Card to be recognized. The Auctioneer will work at a pace to make sure the potential Bidder/ Buyers understands the received bid price and the asking bid price. Absentee bids may be accepted at the discretion of the auctioneer. The Auctioneer reserves the right to enter bids on behalf of absentee Bidders. Any mistakes during biddings as to who has the high bid and/ or at what price may be called to the Auctioneers attention and corrected. The Auctioneer is the sole arbiter and controller of the conduct of the auction and shall be the final and absolute authority without liability to any party. For documentation purposes, the auctioneer reserves the right to audio and/or video the auction and/or any and all Bidders. The auctioneer will settle any and all disputes and/or tie bids. The auctioneer's decision shall be final.

Confirmation of Sale/ Possession: All auctions are subject to court, administrator, or Seller approval. The Seller reserves the right to accept any and all offers or the high bid. Most sales are approved within 7 business days but not guaranteed. Buyers are not allowed possession until after Closing and Funding, at which time the property should be re-keyed. If for any reason the court, administrator, or Seller approval is not granted, the earnest money shall be returned in its entirety to the high Bidder. Showing requests from Buyers after the auction may not be able to be accommodated.

Minerals: When owned, all oil, gas, and other minerals are to be retained by the Seller.

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Broker Participation: Davis Auctioneers, L. P. and Top Producers Real Estate hereby agree to pay to the registering Broker/Realtor on the following terms and conditions: a Commission (fee) equal to three percent (3%) of the high bid price BEFORE adding the buyer's premium, if the Broker/Realtor's Client is the successful Bidder who closes and pays on the terms of the Contract. Broker/Realtor understands that to qualify for this commission, a Broker/Realtor Participation Agreement must be received by Davis Auctioneers, L. P. on or before 5 p.m. prior to the day of the Auction. The Broker/Realtor must attend the Auction with the Client. Under no circumstances will Broker/Realtor registration be allowed on the day of the auction. Client must also fully complete and execute a Bidder Registration Form the day of the Auction. There can be no exceptions to these terms and conditions, and no oral registrations will be accepted. Contact Davis Auctioneers, L. P., P. O. Box 2195, Burleson, Texas 76097 or 817-291-7281 to obtain the Broker/Realtor Participation Agreement. The Auctioneer will confirm receipt of the Broker/Realtor Participation Agreement via phone call or message to the Broker/ Realtor.

Disclaimer: The only representations and/or warranties made are those contained in the Contract. Seller reserves the right to add or delete any property, reject any bid, cancel, or withdraw property from the sale. Information contained herein was obtained from sources deemed reliable. Any and all measurements, including square footage and lot size or acreage, as well as tax estimations are approximate. Although every precaution has been taken to ensure accuracy, neither Davis Auctioneers L. P., Top Producers Real Estate, Seller, their respective representatives, agents, and/or employees expressly disclaim any liability for errors, omissions, or changes regarding any information provided for the sale or contained herein. Bidders should carefully verify all information and make their own decisions as to the accuracy thereof before submitting their bid. The terms of the Contract are controlling in the event of any perceived inconsistency between its terms and any statements in this information package. Bidder and/or Buyer acknowledge that he/she have relied entirely on his/her own judgment, and inspection of the property to make their decision to bid or purchase the property.

It being the intention of Seller and Buyer to expressly revoke, release, negate, and exclude all warranties as to the (I) the condition of the property or any aspect thereof, including, without limitation any and all express or implied representations and warranties related to suitability for habitation, merchantability, or fitness for a particular purpose: (II) the nature or quality of construction, structural design, or engineering of the improvements, if any, (III) the quality of the labor or materials included in the improvements: (IV) the soil conditions, drainage, topographical features or other conditions of the property or which affect the property; (V) any features or conditions at or which affect the property with respect to any particular purpose, use, developmental potential, or otherwise: (VI) the area, size, cash flow, expenses, value, condition, make, model, composition, authenticity, or amount of the property; (VII) all express or implied representations or warranties created by any affirmations of fact or promise or by any description of the property; (VIII) any environmental, ecological, geological, meteorological, structural or other condition or hazard or the absence thereof heretofore, now or hereafter affecting in any manner of the property; and (IX) all other express or implied warranties and representations whatsoever, except solely the limited warranty of title set forth in the deed to be executed at closing.

Please read the Contract, Terms and Conditions of Real Estate at Auction, and any other addenda for a full and complete understanding of the disclaimers. Bidders are strongly urged to rely solely upon their own inspections and opinions in preparing to purchase property and are expressly advised to not rely on any representations made by Davis Auctioneers, L. P., Top Producers Real Estate, Seller, nor any of their respective representatives, agents, or employees. Property information may change without notice and potential purchasers should investigate all data fully before relying upon.

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Attorney Review: It is recommended that all information included in this property information package and all other auction related material be carefully reviewed by your attorney. Additionally, all terms and procedures are subject to and may be superseded by changes distributed or announced to bidders prior to the auction. The property is being sold on an AS IS, WHERE IS basis with any and all faults, and neither Davis Auctioneers, L. P., Top Producers Real Estate, Seller, nor any of their respective representatives, agents, or employees make any representations or warranties as to the condition of the property.

License Information: Luther D. Davis, III is licensed in the State of Texas under Auctioneer License #8325 and is a Texas Licensed Real Estate Agent #0505242 working with Top Producers Real Estate, Broker #0275389

This Auctioneer is licensed and regulated by the Texas Department of Licensing and Regulation. Licensure with the Department does not imply approval or endorsement by the State of Texas. If you have an unresolved complaint or compliment, please direct to:

Texas Department of Licensing and Regulation

P. O. Box 12157

Austin, TX. 78711

512-463-2906 or 800-803-9202

Questions should be directed to:

Luther Davis

Davis Auctioneers, L. P.

P. O. Box 2195

Burleson, TX 76097

E-Mail: luther@davisauctiontx.com

(817) 447-9805 Office

(817) 447-6423 Fax

(817) 291-7281 Cell

I have read and understand the Terms and Conditions of this auction and agree to them as presented.

Printed Name

Bidder #

Signature

Initials _____