

REAL ESTATE AUCTION – WEST FARM
TERMS AND CONDITIONS OF AUCTION SALE - DRAFT
JONESBORO, TX
September 22, 1010

United Country – Jones Swenson Auction Marketing, Inc (“Auctioneer”) has a contract with The Central Texas Methodist Foundation, to offer for sale at public auction the property known as West Farm consisting of approximately 1,197± acres. The property will be offered at Multi-Parcel Auction and is selling subject to owner’s confirmation.

A. Property Inspection

- 1) It is the Purchaser’s sole responsibility to: a) perform all inspections (legal, environmental, economic or otherwise) of the Property and to be satisfied as to its condition prior to bidding; b) review all property information and due diligence materials; c) independently verify any information they deem important including information available in public records; and d) inquire of public officials as to the applicability of and compliance with land use and environmental laws, zoning, building and health & safety codes and ordinances and any other local, state or federal laws and regulations.
- 2) All information contained in the auction brochure and all promotional materials, including, but not limited to, photographs, directions, acreage, square footage, dimensions, zoning, maps used for promotion, environmental conditions, taxes, etc., was provided by or on behalf of the Seller and is believed to be correct; however, neither the Seller nor the 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 or Auctioneer to update any information. Purchaser and Purchaser’s broker shall be responsible for verifying all acreage and square footage amounts through public records.

B. Buyer’s Premium

There will be a Ten Percent (10%) Buyer’s Premium added to the winning bid price to arrive at the total contract price to be paid by the Purchaser.

C. Bidder Registration

- 1) Bidders must register and receive a bidder’s number in order to bid on the Property. A cashier’s check made payable to the bidder in the amount of \$5,000.00 per tract will be required at registration on Auction Day.
- 2) Upon being declared the final successful confirmed bidder, the Purchaser will be required to pay a Deposit in the amount equal to ten percent of the contract price. The first \$5,000.00 per tract will be in the form of the cashier’s check and the balance of the ten percent may be paid by a personal or company check. Payment will be made to the closing agent on Auction Day.
- 3) The Purchaser shall immediately pay the required Deposit to the Closing Agent on Auction Day and shall execute and deliver a completed Auction Sales Contract together with all related Addenda for the Property at the Auction. The fully executed Sales Contract shall control all terms and conditions of the sale and

constitute the entire agreement between the Purchaser and the Seller. In the event of any conflict between these Terms and Conditions of Sale and the Terms and Conditions of such Sales Contract; the Terms and Conditions of the Sales Contract shall prevail. NO CHANGES TO THE TERMS AND CONDITIONS OF THE SALES CONTRACT WILL BE PERMITTED. PURCHASER WILL BE REQUIRED TO ENTER INTO THE SALES CONTRACT "AS IS" ON AUCTION DATE.

- 4) Any person bidding on behalf of another person or entity must have a valid, legally enforceable, unexpired, recordable Power of Attorney approved by Seller prior to the auction. If a Purchaser is bidding on behalf of a corporation, the bidder shall be individually bound until the bidder presents a corporate resolution prior to closing.
- 5) If for any reason the Purchaser fails or refuses to deposit the required funds or to execute the Sales Contract immediately after being confirmed the winning bidder, the Seller reserves the right to declare the bidder's rights forfeited and may re-sell the Property.

D. Closing

Closing will be scheduled on or before November 8, 2010 and the Deposit shall be in U.S. Funds and shall be held in a non-interest bearing account by the Closing Agent pending completion of necessary closing procedures, after which the Purchaser shall be granted possession of the Property subject to any matters contained in the Title Commitment and the Auction Sales Contract.

E. Licensed Buyer Broker Guidelines

Upon the Closing of the transaction contemplated herein, Auctioneer shall be paid a commission pursuant to a separate written agreement between Auctioneer and Seller. If a Buyer's Broker is properly registered with the Auctioneer according to the Buyer Broker Guidelines, then at Closing, the Buyer's Broker shall be paid a commission of two percent (2%) of the high bid amount as shown on the Auction Sales Contract. If for any reason whatsoever (including the default of any party hereto), the Closing hereunder does not occur, then no commission shall be due and payable to Buyer's Broker. To qualify for a commission, the buyer's broker must register the prospect, using the Buyer Broker Registration Form provided by the Auctioneer. There will be no exceptions to the guidelines and no oral registrations will be accepted. No broker will be recognized that is participating as a principal, buyer or partner in the purchase.

F. Bidding

The auction will be in the Multi-Parcel Auction bidding method consisting of two rounds of bidding. In Round 1 the parcels (tracts) are auctioned by choice and bid by the acre until each parcel (tract) has a high bidder. In Round 2, bidders may combine two or more parcels (tracts) or re-bid and single tract with a five percent (5%) increase in the bid. Request for combinations or re-bids are continued until there are no further requests and the auctioneer declares the bidding closed.

G. Seller Financing

Pre-approved financing available for qualified buyers: Terms: Up to 90% of purchase price may be financed for 20 years, and note may be amortized for 30 years. Adjustable interest will be at 3.25% + prime, not to exceed 8.75% or be lower than 6.5%. No points or prepayment penalties. Buyer pays for property survey and normal closing costs including lender's title policy. Seller pays for property Title Policy and document fees. Completion of a loan application with documentation is required, along with an acceptable credit report and score, verifiable income with w-2s, 1099s and federal tax return. "West Farm Loan Application" available at www.ctmf.org, or call the Central Texas Methodist Foundation at 800.333.4096.

H. Disclaimer

- 1) Personal on-site inspection of the property is recommended and bidders are advised to independently verify all information they deem important. This Property is being sold "As-Is, Where-Is" and with "All Faults". The 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, acreage, square footage, suitability, merchantability, marketability, 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 the permitted or allowable uses of the Property.
- 2) Neither the Seller, its attorneys, any broker, nor the Auctioneer, shall be liable for any relief including damages, rescission, reformation, allowance or adjustments based on the failure of the Property, including, but not limited to, amount of acreage, square footage, zoning, and environmental condition to conform to any specific standard or expectation, or any third party documents or information.

I. Auctioneers Agency 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 Auctioneer. The Auctioneer is not acting as agent in this transaction for the buyer. Any third party broker is not a subagent of Auctioneer.

J. Equal Opportunity Clause

All bidding is open to the public. The Property is available to qualified purchasers without regard to a prospective Purchaser's race, color, national origin, religion, sex, familial status, or physical handicap.

K. Miscellaneous

- 1) All decisions of the Auctioneer are final as to the methods of bidding, disputes among bidders, increments of bidding, and any other matters that may arise before, during, or after the auction. Seller reserves the right to deny any person admittance to the Auction or expel anyone from the Auction who attempts to disrupt the Auction.

- 2) Property is subject to prior sale.
- 3) All announcements made Auction Day supersede any prior oral or printed statements. The Seller reserves the right to announce additional Terms and Conditions of the sale prior to or during the course of the Auction.
- 4) W. Scott Swenson is the Auctioneer of Record (TX#7809) and the Texas Broker of Record (#0425652).

AUCTIONEERS FOR THIS AUCTION ARE SELLING AGENTS ONLY AND MAKE NO REPRESENTATIONS CONCERNING THE PROPERTY WHATSOEVER.