

**TERMS & CONDITIONS
QUALIFIED BIDDER REGISTRATION FORM**

Property for Auction: 6643 Duck Pond Trail, San Diego, CA 92130

Date & Time: October 22nd, 2009 @ 4:00 PM

Required Registration time to Bid Form:

Location of Auction: On-Site

Please fully execute this Qualified Bidder Registration Form in order to be eligible to bid at the October 22nd, 2009 auction sale for property located at 6643 Duck Pond Trail. Please return this form by e-mail to: cwarren@advanirealty.com or fax to: (619) 255-7693

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Email: _____

Representing Broker (Company): _____

Agent Name: _____ Agent Cell: _____

Office Phone: _____ Agent Email: _____

Agent Fax: _____

AUCTION TERMS AND CONDITIONS:

PROPERTY: Advani Real Estate Group, in cooperation with Bill Menish Auctioneers acting as auctioneers ("Auctioneers"), are conducting the Auction Sale ("Auction") of the real estate located at 6643 Duck Pond Trail, San Diego, CA 92130 **APN#:** _____ ("Property") October 22nd, 2009. Included with this Registration Form is the "Bidder Package and Disclosure Documents". You may also download the "Bidder Package and Disclosure Documents" at www.advaniirealty.com/auction.

1. ALL HOMES ARE SUBJECT TO PRIOR SALE. Prospective Bidders understand and agree that the Subject Property may be sold prior to the date established for auction sale and Advani Real Estate Group makes no guarantee that the Subject Property, or any given property offered for auction sale, will be available on the date established for the auction sale. In the event of such a sale, Advani Real Estate Group will immediately return to any prospective bidders any and all bidder deposits.

QUALIFYING TO BID: By acknowledging this document bidder represents that they are qualified to bid at the auction. In order to become a qualified bidder, one must be financially qualified to obtain their desired financing of the property and do the following:

- a) Fully execute and return the Qualified Bidder Registration Form.
- b) Fully execute and return the Bidder Package and all Disclosure Documents contained therein.
- c) Inspect the property using a home inspector that is a member of CREIA or ASHI or sign a Waiver of Home Inspection Form.

BIDDING: There is no suggested opening bid. The property has been listed for between \$999,000 to \$7,999,000. Seller will entertain all offers. The Seller reserves the right to approve any bid and to accept an offer prior to the auction date.

Once the Auctioneer receives a bid, advances on that bid must be made in increments which the Auctioneer, at his sole discretion, shall designate as being necessary to surpass the last bid acknowledged by the Auctioneer. The Qualified Bidder who submits the final and best accepted bid ("High Bid") that is confirmed by the seller shall be deemed the successful bidder at the Auction ("Purchaser"). Should there be any dispute among Qualified Bidders for the Property, the Auctioneer may reopen bidding or he may, at his sole discretion, designate one of the bidders as the acknowledged bidder. All decisions by the Auctioneer shall be final. A bidder who submits a High Bid that is confirmed by the seller becomes a "Purchaser". **All bids shall be irrevocable.**

Any Qualified Bidder who submits the High Bid that is not confirmed by the seller shall have the option of submitting his bid to the seller(s) for consideration as the Qualified Bidder's offer to purchase Property. The seller(s) may, in his/her/their sole discretion, either 1) accept the offer; 2) reject the offer; 3) submit a counteroffer.

INITIAL BID DEPOSIT: The bidder's paddle is nontransferable. All bids made by the holder of the paddle will be Purchaser's responsibility. **Deposits and payments are accepted in the form of personal or business check made payable to Heritage Escrow, there are no exceptions to this requirement.**

Notice: The amount or rate of real estate commissions is not fixed by law. They are set by each broker individually and may be negotiable between buyer (i.e., Purchaser) and broker (real estate commissions include all compensation and fees to broker.)

BUYER'S PREMIUM: There is a 7.5% Buyer's Premium for this auction. A buyer's premium, in the amount of Seven and one-half Percent [7.5%] of the High Bid, shall be added to the Purchaser's High Bid and included in the total purchase price of the Property ("Purchase Price") to be paid by the Purchaser. The premium is not a real estate broker commission and the payment of the buyer's premium does not in any way create an agency relationship between Purchaser and Advani Real Estate Group, Bill Menish Auctioneers Inc.; Advani Real Estate Group and Bill Menish Auctioneers Inc does not represent Purchaser as a real estate broker or salesperson or in any other manner unless agreed upon by separate written agreement. For example, assume a 10% buyer premium and assume that \$1,000,000 is the High Bid. The buyer's premium will be \$100,000 and the purchase price will be \$1,100,000 ($\$1,000,000 + \$100,000 = \$1,100,000$).

PURCHASER DEPOSIT: The Purchaser will be required to tender a deposit in an amount equal to 3% of the Purchase Price ("Total Deposit") minus the \$50,000 cashiers check. The Total Deposit will be due the day of the Auction. The Total Deposit may be made by business check or personal check. The Total Deposit shall be refunded, if the Purchaser's title or appraisal contingency in the California Residential Purchase Agreement ("Purchase Agreement") is not satisfied. Purchaser acknowledges that the Total Deposit shall be deposited into escrow immediately.

PURCHASE AGREEMENT: At the conclusion of the Auction, the Purchaser will be required to sign the Purchase Agreement, Escrow Instructions, Contingency Removal, and other sale documentation ("Purchase Documents"). Copies of the Purchase Documents are available online a minimum of 5 days prior to the auction at www.advaniirealty.com/auction for review and copies will also be available at the Auction. Only Purchase Agreement sets forth Seller's obligations to the Purchaser.

All Qualified Bidders are strongly advised and urged to thoroughly read the Purchase Agreement. This Agreement will be the controlling document in any Purchaser's purchase of the Property. As such, Qualified Bidders are advised and urged to review these documents with their Real Estate Broker and/or retain a qualified attorney to review the Purchase Agreement and all other transactional documents, including this Qualified Bidder Registration Form, prior to attending the Auction.

The Property is being sold with no contingencies with the exception of the Purchaser's title and appraisal contingency in the Purchase Agreement. In the event the property fails to appraise for the purchase price, the Seller reserves the right to reduce the price to the appraised value and with such agreement by Seller, Buyer's appraisal contingency shall be deemed removed.

The Purchaser Is required to obtain his/her own financing and the sale will not be contingent upon obtaining such financing. If the Purchaser fails to close the sale

for any reason once contingencies have been satisfied, pursuant to Paragraphs 12B & E of the Purchase Agreement, the Purchaser will not be entitled to a refund of the Total Deposit. The Purchaser will be required to release their Total Deposit to Seller a liquidated damages, per the terms of the Purchase Agreement.

CONDITION OF THE PROPERTY: All Qualified Bidders are encouraged to personally inspect the Property, review the Purchase Documents, and hire a professional home inspector who is a member of CREIA or ASHI to render a written opinion about the Property's physical condition during the inspection period referenced in paragraph 2 above. **The Property will be available for inspection upon request.** A personal inspection of the Property may be scheduled at your convenience with prior appointment. Please contact Prem Advani, Advani Realty, phone number (858)829-7688, or Chris Warren, Advani Realty, phone number (619)818-1666, to schedule an inspection of the Property. Persons in attendance during inspection of properties assume all risks of damage or loss to persons, property, or merchandise and shall comply with all safety and health requirements and local, state, and federal regulations. The sale is not contingent upon an inspection and closing will not be extended for that purpose.

TITLE: The Property will be transferred via fee simple title, "**as-is, where is**" with title insurance by standard title policy available at the Purchaser's expense, pursuant to Paragraph 12 of the Purchase Agreement.

PROPERTY INFORMATION: All information and materials provided by Broker, Auctioneer, Seller, or their agents are subject to inspection by all Qualified Bidders. Broker, Auctioneer, Seller, and their agents assume no liability for its accuracy, errors, or omissions. Qualified Bidders should independently verify any information being materially relied upon in making a purchasing decision.

HOMEOWNERS ASSOCIATION: The subject property x is or is not subject to Homeowner's Association ("HOA") dues of approximately \$ 271 monthly. HOA Dues are estimates only and auctioneer makes no warranty or claim towards the accuracy of the aforementioned monthly amount.

TAXES: All properties are subject to reassessment on transfer and annual property tax rates pursuant to Paragraph 18 of the Purchase Agreement.

CLOSING: The sale must close no later than 30 days from Auction date, unless extended by the Seller in writing. In certain cases, the Seller may, for a fee, grant an extension of the Closing Date. Requests for extensions must be made at least five days prior to the Closing Date. All extension requests are evaluated by the Seller on a case-by-case basis and are

solely at Seller's discretion. If the Purchaser fails to close in a timely manner he/she shall forfeit the Total Deposit as liquidated damages as set forth in the Purchase Agreement. Seller retains the unilateral right to cancel escrow and retain the Total Deposit in the event Purchaser fails to close as per Purchase Agreement. **ALL CLOSING COSTS MUST BE PAID AT CLOSE OF ESCROW OR THE DEPOSIT WILL BE FORFEITED.** All bidding and invoicing will be in US Dollars (\$); the above approved form of payment must be made in US currency.

If any applicable conditions are not complied with by Buyer, then, in addition to Seller remedies, Auctioneer reserves the right to at its option, (a) cancel the sale, retaining all payments made by buyer, including any deposit made, as damages and/or (b) resell the property at public auction in which event Buyer will be liable for any deficiency between Buyer's original purchase price and subsequent resale price, Auctioneer's commission, interest rates as allowed by law, legal fees, and all other expenses related to the disposal or reselling of the abandoned property.

ADDITIONAL COSTS: The Purchaser will be required to pay all closing costs, including without limitation document preparation fees, documentary transfer tax, recording fees, pro-rations, and closing fees.

AUCTION: The Auction is being conducted pursuant to all local and state laws.

AUCTIONEER: The Auctioneer reserves the right to deny any person admittance to the Auction, to postpone or cancel the Auction and to change any terms and conditions of the Auction (including these terms and conditions) or particular conditions of the sale upon announcement prior to or during the course of Auction.

Auctioneer reserves the right to sell on behalf of third parties, its own account or on the account of others. Auctioneer shall be entitled to make changes in (the composition of) the properties or to withdraw them, up until the last moment before the sale, refuse bids without having to state the reasons, in which case the previous bidders shall be bound to their bids, and to correct himself. Auctioneer reserves the right to correct himself and to correct any mistakes or typographical errors made by itself, or on its behalf, in any of its announcements or documents. Any announcements made on the day of the auction take precedence over catalogue or other previously announced, advertised or documented information, but do not alter in any way the basic terms and conditions of sale.

Auctioneer reserves the right to sell subject to reserve and to purchase for its own account, or on account of others, whether by verbal or written proxy, all subject to prior sale. All sales shall be concluded on the fall of the hammer or as

indicated by Auctioneer. Auctioneer is a licensed auctioneer and Advani Real Estate Group represents only the Seller in this Auction and sale unless otherwise agreed to by separate written agreement.

A Qualified Bidder may have, and is encouraged by Auctioneer and Seller to seek the services of their own real estate broker/sales person to assist them with this Auction and any resulting Purchase Contract or sales transaction.

Broker/Auctioneer herein may represent more than one buyer for the same property. The Advani Real Estate Group will act as Dual Agent in the event that the Buyer is not represented by a licensed California Real Estate Broker in attendance at the auction. In such event Buyer agrees to enter into an Agency Relationship Agreement with Brokers herein.

RECORDING OF AUCTION: Auctioneer shall have the right make image and audio video recordings of the auction, to use said recordings at its own discretion, and if deemed appropriate to make recordings public. Participants give their permission by participating in the auction.

SELLER DEFAULT: In the event that the Seller defaults hereunder, Purchaser shall solely be entitled to a return of the Total Deposit. Purchaser shall not be entitled to seek damages, penalty or specific performance.

No Qualified Bidder may assign his or her right to bid at the Auction to any other party. No Purchaser may assign his or her rights under the Purchase Agreement to any other party without first seeking and obtaining Seller's written consent, which Seller may withhold at Seller's sole and absolute discretion.

All understandings between Qualified Bidder and Auctioneer are incorporated in the Qualified Bidder Registration Form. Its terms are intended by the Qualified Bidder and Auctioneer as a final, complete, and exclusive expression of their agreement with respect to the subject matter of this Form, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of the Form is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect.

SELLER AGENT COMMISSION: A selling agent commission, equal to 2.5% of the High Bid, not the Purchase Price, will be paid to a licensed real estate broker ("Selling Agent") whose client becomes the Purchaser and successfully closes escrow on the Property. In order to qualify for this commission and become a Participating Broker, the Selling Agent must satisfy a - d below:

- a. Be licensed California real estate broker;

- b. Register their client by returning the Broker Registration Agreement to Advani Real Estate Group. It is the Selling Agent's responsibility to verify that Advani Realty has received the Broker Registration Agreement in writing on or prior to **Thursday, October 15th, 2009 by 10:00 a.m. or obtain a waiver of such condition from Advani Realty before the Auction.**
- c. This Bidder Registration Form must be signed by the client; and
- d. Attend the Auction with their client and assist the client in completing and acknowledging all sale documents.

No Selling Agent will be recognized as a Participating Broker for a Qualified Bidder who has previously contacted or been contacted by the Seller or Auctioneer and their representatives. The Selling Agent commission will only be paid upon closing and after receipt of commissions by Advani Real Estate Group.

THIS AREA INTENTIONALLY LEFT BLANK

Please initial below as an acknowledgment of the following:

- x_____ I have read and agree to the terms and conditions as set forth herein.
- X_____ I am in receipt of the bidder's property information package, Purchase Documents and Disclosures and I accept full responsibility for independently verifying the accuracy of the information contained within.
- X_____ I understand that the Property is being sold "**as-is, where is**" without any covenants, representations or warranties, expressed or implied by Auctioneer, Seller, and their agents.
- X_____ I understand that, in the event I am the Purchaser of the Property, and fail to close by November 22, 2009 my Total Deposit will be forfeited pursuant to the liquidated damages clause found at Paragraph 16 of the Purchase Agreement.

Agreement and Acceptance:

x_____ Date _____
Seller Signature

x_____ _____
Print Name as Signed

x_____ Date _____
Seller Signature

x_____ _____
Print Name as Signed

x_____ Date _____
Qualified Bidder Signature

x_____ _____
Print Name as Signed

x_____ Date _____
Qualified Bidder Signature

x_____ _____
Print Name as Signed