

## TERMS AND CONDITIONS

### Online Real Estate Auction

**Please review this document carefully. In order to register and receive access to the interactive online bidding platform, a Bidder must accept and acknowledge these Terms and Conditions.**

#### **1. AUCTION REGISTRATION:**

Registration is required to become a qualified and eligible bidder ("Bidder") for the Auction. In order to become fully registered and eligible to bid, a prospective Bidder must:

- (a) Complete the bidder registration located on the website at [www.awproperties.com](http://www.awproperties.com);
- (b) Submit proof of funds to AuctionWorks ("Auctioneer");
- (c) Deposit with Auctioneer certified funds in the amount of \$5,000. Prospective bidders may choose to mail or deliver a \$5,000 cashier's check made payable to AuctionWorks or submit the funds through wire transfer. If you are not deemed the Winning Bidder, your certified funds will be refunded to you within two (2) business days after the close of the auction event. If you are deemed the Winning Bidder, your certified funds will be applied towards the total earnest money deposit then due;
- (d) Fully accept and agree to these Auction Terms and Conditions.

The identity of all bidders will be verified. Bidding rights are provisional, and if complete verification is not possible, the seller will reject the bidder's registration.

#### **2. WINNING BID, TOTAL PURCHASE PRICE, EARNEST MONEY DEPOSIT, and PURCHASE AGREEMENT:**

- (a) Within 48 hours of the close of the auction event, the Winning Bidder for the property will be required to execute, as Buyer ("Buyer"), the Real Estate Purchase Agreement and applicable Addendums, if any, ("Agreement") with no exceptions, and tender the earnest money deposit. No modifications to the form of the Agreement will be accepted. Failure to execute the Agreement in the form presented or to tender the earnest money deposit within 48 hours from the close of the auction event may result, at the 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. Winning Bidders not executing and returning their Agreement with earnest money deposit within 48 hours of receipt may be considered in default and subject to a \$5,000 Administrative Fee. All Administrative Fees are non-refundable. The required earnest money deposit shall be held in a trust account with the Seller's designated closing agent pursuant to the terms of the Agreement.
- (b) The Earnest Money Deposit shall be equal to 5% of the Total Purchase Price and is NON-REFUNDABLE.
- (c) The amount of (i) the Winning Bid **AND** (ii) 5% of the Winning Bid (\$15,000 minimum applies), whichever is greater ("Buyer's Premium"), added together, will be the **Total Purchase Price** ("Total Purchase Price") for the Property to be purchased by the Buyer under the Agreement.

#### **3. CLOSING AND PAYMENT OF TOTAL PURCHASE PRICE:**

- (a) The Closing date ("Closing") will be on or before 30 business days of the executed Real Estate Purchase Agreement from, unless extended by Seller.
- (b) The Total Purchase Price will be due and payable by Buyer at Closing with Cashier's Check from an F.D.I.C. insured institution in U.S. Funds (payable to the Seller) or by Wire Transfer of immediate funds, pursuant to instructions from the Settlement Agent. Buyer shall receive credit for the Earnest Money Deposit which shall be released from escrow and applied by the Settlement Agent towards the Total Purchase Price at Closing.
- (c) Time shall be of the essence as to all of Buyer's obligations. Any buyer not closing within the contractual time period to close may forfeit his / her earnest money. Please review the Seller's Sample Real Estate Purchase Agreement to determine closing requirements.
- (d) It is understood and agreed, when represented, that title to the property shall be insurable after closing and will be conveyed to the Buyer by Special Warranty Deed (the "Deed"). The acceptance of the Deed by Buyer shall constitute and be deemed and considered full compliance by the Seller of all the terms and conditions of the Agreement on the part of the Seller to be performed. It is further expressly agreed that none of the provisions of the Agreement shall survive the delivery and acceptance of the Deed, except insofar as may therein otherwise be expressly and specifically provided.
- (e) Buyer agrees that the Property is subject to all laws, ordinances, codes, rules and regulations of applicable governmental authorities pertaining to the ownership, use and occupancy of the Property including, but not limited to, zoning, land use, building codes, and agrees to take title subject to such matters, and the following permitted exceptions: (i) all covenants, restrictions, easements and agreements of record now on the Real Property; (ii) the state of facts which would be shown by a current survey or inspection of the Real Property; (iii) any matter created by or through Buyer; (iv) any title matters which Buyer has accepted or is deemed to have accepted as set forth in the Agreement; (v) such other items that will not make the Real Property unusable or unmarketable for the purposes for which it is currently used.

#### **4. BUYER'S NOTE:**

- (a) The sale of the Property is an "All Cash" transaction and shall not be subject to any financing, other contingencies, or post Auction due diligence. Buyer will be solely responsible for making Buyer's own financial arrangements.
- (b) The Seller, Broker, Auctioneer and their representatives, attorneys, agents, and sub-agents, assume no liability for errors or omissions in this or any other property listing or advertising or promotional / publicity statements and material. The Seller, Broker, Auctioneer and their representatives, attorneys, agents and sub-agents, make no guarantee as to the accuracy of the information herein contained or in any other property listing or advertising or promotional / publicity statements and material. Neither Seller, nor Broker nor Auctioneer has any obligation to update this information. Neither Seller, nor Broker, nor Auctioneer nor their Agents and Sub-Agents, have any liability whatsoever for any 65 Heatherdowns Lane, Galena, IL 61036

oral or written representations, warranties, or agreements relating to the Property (*including information appearing in advertisements or announcements / updates prior to the time of the Auction*) except as is expressly set forth in the Agreement.

(c) The Property is sold in its "AS IS" condition with all faults and limitations and no warranties expressed or implied. All Bidders are encouraged to inspect the Property prior to placing any bid and the Winning Bidder, as Buyer, acknowledges that he/she/it has had a reasonable opportunity to inspect and examine the condition of the Property and make inquiries of applicable governmental authorities pertaining to Buyer's proposed use of the Property prior to the Auction as Buyer has deemed necessary or desirable.

(d) Competitive bidding is an essential element of an Auction sale, and such a sale should be conducted fairly and openly with full and free opportunity for competition among bidders. Any conduct, artifice, agreement, or combination the purpose and effect of which is to stifle fair competition and chill the bidding, is against public policy and will cause the sale to be set aside. Collusion / Bid Rigging are a Federal Felony punishable by imprisonment and fine. Seller will report all illegal conduct to the F.B.I. and cooperate with any prosecution.

(e) The Seller in its absolute sole discretion reserves the right to amend, negotiate, modify, or add any terms and conditions to these Terms and Conditions and to announce such amendments, modifications, or additional terms and conditions on, during or before the Auction.

(f) Back-up bids will be recorded and received. Should the Property not close with the original winning bidder (Buyer), the Seller in its sole discretion will have the option to pursue back-up bids.

(g) Review of the Agreement (Sample Real Estate Purchase Agreement and applicable Addendums) before making any bids is strongly recommended. No modification to the form of the Agreement will be accepted, at Seller's sole discretion.

(h) The Property may be withdrawn at any time without notice and is subject to additional deletions and / or prior sales. All Pre Auction offers are encouraged and will be considered.

(i) The purchase is not contingent on obtaining financing or qualification.

## **5. ANNOUNCEMENTS:**

All announcements and updates prior to the Auction will take precedence over all previously printed material and any other oral statements made. As a bidder it is your responsibility to know and understand all announcements / updates before the auction begins. In the event of a dispute over any matter, the Seller shall make the sole and final decision and will have the right either to accept or reject the final bid or reopen the bidding. Bidding increments and order of sale shall be at the sole discretion of the Seller.

## **6. ONLINE BIDDING:**

The Auction is being conducted solely by Online Internet bidding via the Worldwide Web. All Interested bidders must obtain, fully complete and accept the proper forms as indicated in item 1 (a) and (b) above in order to receive your secure password and user ID with instructions allowing access to the online bidding platform.

## **7. DEFAULT:**

If the Buyer fails to comply with any of these Terms and Conditions, or if the Closing shall not occur on or before 30 business days from the executed Real Estate Purchase Agreement because of the fault of Buyer, the Seller may retain the earnest money deposit and any required deposit(s) under the Agreement as liquidated damages and not as a penalty. By retaining the deposits, Seller does not waive any right or remedies it may have because of the Buyer's default. It is intended hereby that all of the rights and remedies of Seller available either pursuant to the terms of this Agreement, or under the law or otherwise, are cumulative and not exclusive of any other such right or remedy.

## **8. REPRESENTATIONS:**

All information was derived from sources believed to be correct, but is not guaranteed. Bidders shall rely entirely on their own information, judgment, and inspection of the Property and records. Neither Seller, Broker, Auctioneer its Agents nor Sub-Agents makes any representation or warranties as to the accuracy or completeness of any information provided. All sizes, dimensions, drawings are approximations only.

## **9. OFFICE OF FOREIGN ASSETS CONTROL (OFAC) COMPLIANCE:**

All bidders are subject to providing appropriate government identification that includes full legal name and date of birth. In addition, all bidders are subject to being required to disclose their place of birth. By providing this information bidders agree to allow Seller to perform a search of the Specially Designated Nationals List, Blocked Persons List and Sanctioned Country List provided by the United States Office of Foreign Assets Control. Seller reserves the right to reject any bidder from registration after this search has been completed. By registering all bidders agree to abide by all of these Terms and Conditions.

## **10. COOPERATING BROKER PARTICIPATION:**

To qualify for a cooperating broker fee:

1. Broker must agree to these terms and conditions.
2. Broker is not eligible for a commission if they are a family member or an affiliate of the client they represent.
3. Broker must be licensed in the state where the property is located.
4. Broker must register their client(s) under "Register Broker" on the website at [www.awproperties.com](http://www.awproperties.com) by the close of business one day prior to when the online auction bidding period begins or before their client submits an offer.
5. Broker must identify their client(s) before bidding opens or before the client submits an offer.

A cooperating broker fee is based on the Bid Price as specified in the Purchase and Sale Agreement and is only payable upon closing of a sale.

Two percent (2%) of the Winning Bid amount will be paid to a qualified Licensed Real Estate Broker (“Broker”) licensed in the state where the property is located and whose registered Buyer’s offer is accepted by the Seller and closes on the Property, provided the Broker is not prohibited by law from being paid such commission. To qualify for a commission, the Broker must register their prospect at [www.awproperties.com](http://www.awproperties.com). The Broker must identify their client(s) before bidding opens or before the client submits an offer. This registration must be received by the close of business one day prior to the Auction. The Broker must agree to these terms and conditions. The Broker cannot be a family member or an affiliate of the client they represent. Commissions will be paid only after closing and Seller receipt of proceeds. Brokers are not required to attend the closing. If a cooperating Broker has not met all of these requirements, no commission will be paid to the cooperating Broker, even if the cooperating Broker’s prospect purchases the Property. No oral registrations will be accepted. Under no circumstances whatsoever will any commission be paid if the sale does not close for any reason.

**11. RESERVE AUCTION SUBJECT TO SELLER CONFIRMATION:**

This is a reserve auction, subject to seller confirmation. The suggested opening bid is \$250,000.00. The seller has set an unpublished reserved price that is higher than the suggested opening bid. At the close of the auction event, the winning bid will be presented to Seller for confirmation. Within 48 hours, Seller with either accept, reject or counter the Winning Bid, depending on whether it meets or exceeds the seller’s unpublished reserve price.

**12. BIDDING PROCESS:**

All bids are an irrevocable offer to buy and shall remain valid and enforceable until the Seller declares the property “Sold” and the auction has concluded. The bidder’s number, secure password and user ID is nontransferable.

**13. BUYER EXCLUSION:**

No employee, affiliates, officers, or directors that are associated with the Seller may bid on the property in the auction or represent any Buyers at the auction without the express written consent of the Seller.

**14. ENVIRONMENTAL DISCLAIMER:**

The Seller, Broker, Auctioneer, agents, and their agents, contractors and employees do not warrant or covenant with Buyer(s) with respect to the existence or nonexistence of any pollutants, contaminants, mold, or hazardous waste prohibited by federal, state or local law or claims based thereon arising out of the actual or threatened discharge, release, disposal, seepage, migration or escape of such substances at, from or into the premises. Buyer is to rely upon its’ own environmental audit or examination of the premises.

**15. ACREAGE:**

All acreages are approximate. If there is a discrepancy between Seller or its representative and the actual acreage as determined by a surveyor, the price will not be adjusted. The statements, while not guaranteed, are from reliable sources. Any costs incurred in establishing boundaries shall be the responsibility of the Buyer. The sale is subject to easements, right-of-way, reservation and / or restrictions of record.

**16. ALL SALES ARE FINAL:**

By registering and bidding, the Buyer acknowledges they understand accept and agree to these Terms and Conditions. The Buyer acknowledges that they have read the Sample Real Estate Purchase Agreement and Addendum and the Terms and Conditions of the Auction Sale posted on the website and accept the Real Estate Purchase Agreement without any changes to the pre-printed text. The Buyer must sign the contract Addendum within 48 hours after the Auction concludes and deposit the required earnest money deposit as instructed. In the event a Winning Bidder fails to submit the signed Addendum and earnest money deposit as stipulated in the Agreement, the Winning Bidder will be charged an Administrative Fee of \$5,000 on the credit card provided on the Bidder Registration Form. Additional default remedies are reserved by the Seller as provided in these Terms and Conditions. All administrative Fees are Non-Refundable.

**17. HOLD HARMLESS:**

Seller, Broker, and Auctioneer cannot, and will not, be held responsible for any interruption in service, errors, and / or omissions, caused by any means, therefore they cannot guarantee continual, uninterrupted or error free service as the website could be interfered with by means out of their control. Bidder acknowledges that the online auction is conducted electronically and relies on hardware and software that may malfunction without warning. The Seller may void any sale, temporarily suspend bidding and re-sell the Property that was affected by any malfunction. The decision of the Seller is final. Bidder agrees not to use any device, software or routine to interfere or attempt to interfere with the proper working of any transaction being conducted during the auction.

**ACKNOWLEDGMENT AND ACCEPTANCE:**

The Undersigned Bidder acknowledges receipt and copy of these Terms and Conditions, and having read and understood the provisions set forth therein, accepts same and agrees to be bound thereby. Facsimile and electronic signatures will be treated and considered as original.

\_\_\_\_\_  
Bidder’s Signature or signed electronically

\_\_\_\_\_  
Date