

Real Estate Auction Terms

July 11, 2009

Real Property Auction

Little River Ranch, Poncha Springs, CO 81242

1. Buyer acknowledges that he or she has performed all due diligence required to form his or her opinion of value and made all decisions necessary for him or her to make a final decision to purchase this property. This is a non-contingent sale. The only way Buyer will receive a refund of his or her deposit is if Seller fails to provide marketable title at closing as stated in the title insurance commitments.
2. A contract to buy and sell real estate prepared by the Seller's Attorney will be used. **Buyer agrees they have read and understand the pre-printed Contract to Buy and Sell Real Estate. Buyer further agrees to immediately execute the contract after being declared the high bidder.** Seller will have until 5:00 PM MST on Monday, July 13, 2009, to accept Buyer's offer. If Seller timely accepts Buyer's offer, the Contract shall be binding and irrevocable. If Seller does not timely accept Buyer's offer, the offer shall be deemed rejected and shall be of no force or effect and the deposit will be refunded to Buyer.
3. A deposit of \$10,000 per home site is required to bid. This should be in the form of a cashier's check payable to Buyer. If, for any reason Buyer fails to execute the contract, Buyer's deposit will be immediately forfeited to Seller as liquidated damages and Seller may pursue all additional legal remedies available against Buyer. After executing the contract, Buyer's deposit will be retained and allocated under the contract as a non-refundable earnest money deposit. The remaining balance of the purchase price must be paid at closing which shall occur on or before August 12, 2009. If you intend to finance this property, have your financing arranged prior to the auction. The deposits of all unsuccessful Bidders will be returned immediately at the conclusion of the auction.
4. The auction will be conducted using a 10% Buyers Premium for non-internet bids. Ten Percent (10%) will be added to the hammer price to form the contract price. By way of example, and not as an indication of the purchase price or value, a bid price of

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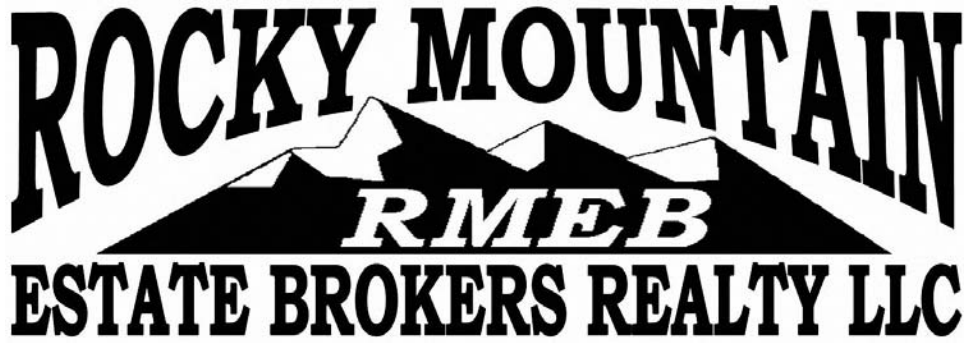
All information contained here was derived from reliable sources, but is not guaranteed. Potential buyers should verify all descriptions, condition reports, years of construction or anything else of importance to them. Potential buyers shall rely entirely on his of her own judgment and inspections.

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\$200,000.00 will equal a contract price of \$220,000.00. The internet Buyer's Premium is 11%, rather than 10% of the hammer price. Five of the offered properties will sell absolutely to the highest bidder. Which five properties these are will not be disclosed until after the auction process has begun. The remaining twenty properties will be sold subject to a reserve price or confirmation by the owner of the high bid after the auction process has completed. The properties will be offered in groups, subject to high bidder's choice. The properties may be offered through several rounds of bidding until the auctioneer determines, in his sole discretion, that the highest and best bid has been achieved for each property. The auctioneer may bid on behalf of the reserve on properties that have a reserve price.

5. Seller will convey the property by General Warranty Deed free from all liens and encumbrances. Seller will pay for a title insurance policy in the amount of the purchase price. The cost of closing services shall be divided equally between Seller and Buyer. Property taxes and all utilities will be prorated to the day of closing.
6. Buyer has inspected the property and agrees to purchase it **AS-IS WHERE-IS. There are no contingencies for inspections, financing, appraisals, insurance or anything else.** Rocky Mountain Estate Brokers Realty LLC prepared a Bidder Information Packet. All information contained in the Bidder Information Packet was derived from reliable sources believed correct, but is not guaranteed. Buyer should verify all descriptions, condition reports, square footage and years of construction. Buyer shall rely entirely on his or her own judgment and inspection. It is the responsibility of the Buyer to have any and all inspections completed prior to the Auction including but not limited to: termite, roof, structure, soils, septic, electrical, mechanical, plumbing, groundwater, flood designation, environmental, presence of asbestos, presence of lead-based paint and/or lead-based paint hazards, presence of mold or radon gas and any other desired inspection. Buyer and his or her heirs and assigns forever waive any right to initiate legal action, object, seek reimbursement or damages or contest in any manner the condition of the subject property.
7. Buyer acknowledges that Seller has not had the property surveyed prior to the auction. Some property corners have been marked but are not guaranteed accurate. If Buyer desires to conduct his or her own survey prior to the auction, Seller will allow Buyer access to the property for the survey.
8. Buyer and his or her heirs and assigns do hereby release and agree to forever indemnify against all causes of action associated with this transaction Rocky Mountain Estate Brokers Realty LLC, Robert Lee Johnson Broker, Rocky Mountain Estate Brokers Inc., David P. Whitley Auctioneer, Little River Ranch LLC, Little River Ranch Inc., Land Properties Inc., Mall Street Holdings, LLC, Jerry G. Nabors, Linda S. Nabors, Bryan Bacher, Kevin S. Barnes, Yvonne L. Barnes, Kimberly S. Kundert and Brent J. Kundert. This release extends to all physical and environmental conditions of the property.

9. Buyer agrees to forfeit all earnest money and deposits to Seller if Buyer fails to perform under the contract.
10. Buyer & Seller agree that faxed and emailed delivery of documents and signatures are acceptable.
11. Rocky Mountain Estate Brokers Realty LLC, Robert Lee Johnson Broker is acting as a Seller's Agent. Buyer represents and warrants to Seller and Broker that, other than as registered with Broker prior to the sale, Buyer has not been represented by any real estate agent or finder in connection with this transaction.
12. Buyer hereby acknowledges receipt of all required disclosures including source of water addendum and lead based paint. Buyer waives his or her right to conduct any lead based paint tests.
13. Announcements on the day of sale supersede all other prior communications. Buyer consents to audio, video or photographic recording of the auction by Rocky Mountain Estate Brokers Realty LLC. Any recordings made are the property of Rocky Mountain Estate Brokers Realty LLC and may be used to advertising, marketing or other promotional purposes. This is a public auction conducted on private property. Anyone considered, in the sole discretion of Rocky Mountain Estate Brokers Realty LLC, to be disruptive or harmful to the auction process will be removed from the premises.
14. Bid Rigging is a violation of Federal law and the Sherman Anti-Trust Act. It is punishable by severe fines and jail sentences. Any attempt to influence or suppress the price at this auction will be immediately reported to the Department of Justice, the US Attorney's Office and the Federal Bureau of Investigation.



Bidder Registration Form
July 11, 2009 Real Property Auction
Little River Ranch, Poncha Springs, CO 81242

Bidder Number: _____

Lot #: _____ Opening Bid: _____

Name: _____

Address: _____

Telephone: _____

Cell Phone: _____

Email address: _____

Deposit: \$10,000 in the form of _____

I have read and agree to be bound by all of the attached terms and conditions of the Real Estate Auction held July 11, 2009 for the property commonly known as Little River Ranch, Poncha Springs, CO 81242. If I am the high bidder I agree to immediately sign the Contract to Buy and Sell Real Estate and that my deposit shall apply as stated in that contract.

Agreed to this 11th day of July, 2009

Signature

I acknowledge the return of my deposit. _____