

TERMS AND CONDITIONS

SALE SITE: J. ERIK JONSSON CENTRAL LIBRARY (AKA DALLAS CENTRAL LIBRARY), DALLAS EAST WEST ROOM - 1515 YOUNG STREET, DALLAS, TX 75201
(FREE PARKING UNDERGROUND).

AUCTION REGISTRATION: AUCTION REGISTRATION BEGINS ONE HOUR BEFORE THE AUCTION.

REGISTRATION REQUIREMENTS: ALL BIDDERS MUST REGISTER WITH A \$2,500 CASHIER'S CHECK MADE PAYABLE TO THE BIDDER.

TERMS OF SALE: THE WINNING BIDDER WILL BE REQUIRED TO TENDER AS NON-REFUNDABLE EARNEST MONEY AN AMOUNT EQUAL TO 10% OF THE PURCHASE PRICE. THE BALANCE OF THE 10% MAY BE IN THE FORM OF A PERSONAL OR BUSINESS CHECK.

ALL SALES MADE AT THIS AUCTION EVENT COVERED BY THESE TERMS AND CONDITIONS ARE AND WILL BE CASH SALES AND ARE NOT CONTINGENT ON THE BIDDER'S ABILITY TO OBTAIN FINANCING. THE EARNEST MONEY IS NOT CONSIDERED AN "OPTION" PAYMENT. THE BIDDER IS AGREEING TO CLOSE ON THE PROPERTY IN THE EVENT THEY ARE THE WINNING BIDDER ON THE PROPERTY. THE SUCCESSFUL BIDDER SHALL EXECUTE A "PURCHASE AND SALE AGREEMENT" (PSA) IMMEDIATELY AFTER BEING DECLARED THE SUCCESSFUL BIDDER BY THE AUCTIONEER. COPIES OF THE "PSA" ARE AVAILABLE FOR REVIEW PRIOR TO THE AUCTION AT WWW.CITYOFDALLSAUCTION.COM OR BY CALLING THE AUCTIONEERS. A BIDDER FOR THE PURCHASE OF REAL PROPERTY OR AN INTEREST IN REAL PROPERTY FROM THE CITY MUST STATE THE FULL NAME OF THE PROSPECTIVE PURCHASER AS IT WILL APPEAR IN AN INSTRUMENT OF CONVEYANCE. IF A BID IS MADE ON BEHALF OF ANOTHER PERSON, FIRM, TRUST, PARTNERSHIP, ASSOCIATION OR CORPORATION, DISCLOSURE OF THE FACTS RELATING TO THE AGENCY MAY BE REQUIRED BY THE CITY. FAILURE TO FURNISH THE INFORMATION UPON REQUEST, BEFORE OR AFTER BID ACCEPTANCE, IS GROUNDS FOR REJECTION OF A SUBMITTED OR ACCEPTED BID.

SPECIAL NOTE & BUYER'S PREMIUM FEE: A BUYER'S PREMIUM FEE OF 6% (SIX PERCENT) WILL BE ADDED TO THE HIGH BID AMOUNT. THE HIGH BID AMOUNT PLUS THE 6% (SIX PERCENT) BUYER'S PREMIUM PERCENTAGE EQUALS THE CONTRACT PRICE.

SELLER SHALL FURNISH TO BUYER ON THE CLOSING DATE THE FOLLOWING: (1) SELLER'S FORM OF DEED WITHOUT WARRANTY (THE "DEED") EXECUTED BY SELLER, CONVEYING THE PROPERTY TO BUYER, SUBJECT TO ALL MATTERS OF RECORD AFFECTING THE PROPERTY AND (2) ANY OTHER SELLER RELATED DOCUMENTS DEEMED NECESSARY BY TITLE AND ESCROW AGENTS.

CLOSING: THE CLOSING OF THE SALE BETWEEN SELLER AND BUYER SHALL BE ON OR BEFORE 45 DAYS FROM THE DATE OF SELLER EXECUTION (Closing Date). THE ESCROW AGENT WILL BE DETERMINED BY BUYER.

CLOSING COSTS: BUYER TO PAY ALL COSTS ASSOCIATED WITH CLOSING OF THE TRANSACTION TO INCLUDE BUT NOT LIMITED TO ESCROW FEE, TAX CERTIFICATIONS, RECORDING FEES, TRANSFER FEES, AND PREMIUM FOR THE OWNER'S AND LENDER TITLE INSURANCE POLICIES INCLUDING ANY TITLE SEARCH AND EXAMINATION FEES, THE COSTS OF CREDIT REPORTS, LOAN FEES, LOAN POINTS AND OTHER COSTS OF OBTAINING THE NEW FIRST TRUST DEED LOAN, ALL OF THE SETTLEMENT FEES AND CHARGES, TAX SERVICE FEES, RECORDATION FEES FOR THE DEED WITHOUT WARRANTY AND ANY DEED OF TRUST, BUYER'S SHARE OF PRO-RATIONS, PRO-RATA PORTION OF ANY AND ALL PROPERTY TAXES, ASSESSMENTS AND LIKE CHARGES AND LEVIES FOR THE APPLICABLE TAX YEAR AND FIRST MONTH'S CONDOMINIUM/HOMEOWNER'S ASSOCIATION MEMBERSHIP FEES AND ASSESSMENTS, IF ANY, AND OTHER CLOSING COST OF BUYER, INCLUDING ANY BUYER ATTORNEY FEES, ESCROW FEES, RECORDING FEE, STAMPS AND ANY EXPRESS OR OVERNIGHT, WIRE TRANSFER FEES AND COURIER FEES. ANY AND ALL TERMITE CLEARANCES AND REPORTS AND ANY INSPECTIONS REQUIRED BY ANY LENDER, AND NOT LIMITED TO ANY ROOF CERTIFICATIONS SHALL BE AT THE SOLE COST AND EXPENSE OF BUYER. THE FOREGOING COSTS AND EXPENSES SHALL BE PAID BY ESCROW AGENT ON BUYER'S BEHALF FROM FUNDS DEPOSITED IN ESCROW BY BUYER.

TITLE: BUYER SHALL PURCHASE AND CAUSE TO BE ISSUED AN OWNER'S POLICY OF TITLE INSURANCE BY TITLE COMPANY OF BUYER'S CHOICE. IN THE EVENT THERE ARE DEFECTS IN THE TITLE, BUYER HEREBY ASSUMES ALL LIABILITY FOR SAME AND WILL PURCHASE SUBJECT PROPERTY WITH ALL LIENS AND ENCUMBERANCES, BACK TAXES, SPECIAL ASSESSMENTS, EASEMENTS, LIENS, LEASES, ENCROACHMENTS, CODE VIOLATIONS, ZONING AND OR MUNICIPAL ORDINANCES, RESTRICTIVE COVENANTS, SPECIAL PURPOSE DISTRICT REQUIREMENTS AND ANY NEW RESTRICTIVE COVENANTS IMPOSED BY SELLER AS THEY DEEM APPROPRIATE.

IF THE COMMITMENT REVEALS A DEFECT IN TITLE, BUYER IS HEREBY OBLIGATED TO PURCHASE UNDER THE TERMS AND CONDITIONS CONTAINED HEREIN AND FAILURE TO DO SO WILL CAUSE THE BUYER TO FORFEIT EARNEST MONIES DEPOSITED WITH CLOSING OFFICE AND NO FURTHER DOCUMENTATION WILL BE REQUIRED FOR TITLE COMPANY NAMED HEREIN TO RELEASE BUYER EARNEST MONEY DEPOSIT TO SELLER FOR FAILURE TO CLOSE WITHIN FORTY-FIVE (45) DAYS FROM SELLER EXECUTION OF THE PSA. BUYER FURTHER ACKNOWLEDGES THAT BY SIGNING THE PSA, BUYER HAS CONDUCTED THEIR OWN DUE DILIGENCE WITH REGARD TO THE CURRENT STATE OF TITLE. BUYER UNDERSTANDS THAT BUYER HAS THE RIGHT TO MAKE AN INDEPENDENT SELECTION REGARDING THE PURCHASE OF TITLE INSURANCE AND ESCROW SERVICES AND THAT THE SELLER IS PROHIBITED FROM REQUIRING BUYER TO PURCHASE TITLE INSURANCE AND/OR ESCROW SERVICES FROM A COMPANY CHOSEN BY THE SELLER AS A CONDITION TO RECEIVING OFFERS OR SELLING THE PROPERTY. ALL PROSPECTIVE BIDDERS SHOULD CONSIDER ENGAGING COUNSEL OF THEIR OWN CHOOSING TO EXAMINE ALL MATTERS REFERRED TO AS AFFECTING THE STATE OF TITLE OF THE PROPERTIES ON WHICH THEY INTEND TO BID. SELLER MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESSED OR IMPLIED, WRITTEN OR ORAL, WITH RESPECT TO THE STATE OF TITLE OF THE PROPERTY, OR THE CORRECTNESS OR COMPLETENESS OF THE INFORMATION CONTAINED IN ANY INFORMATION PROVIDED BY THE SELLER. IT IS THE RESPONSIBILITY OF THE BIDDERS TO EXAMINE ALL APPLICABLE CITY CODES, PARTICULARLY BUILDING CODES AND ZONING ORDINANCES, TO DETERMINE IF THE PROPERTY CAN BE USED FOR THE PURPOSES DESIRED.

NOTE: THE SALE OF ALL CITY OF DALLAS PROPERTY IS SUBJECT TO ALL EASEMENTS AND PUBLIC UTILITIES; ANY COVENANTS, CONDITIONS, AND RESTRICTIONS AS REFLECTED IN THE SUBJECT PROPERTY PLAT AND/OR DEED RESTRICTIONS THAT APPLY TO THE PROPERTY AND/OR THE CREATION OF ANY NEW RESTRICTION(S) AS DEEMED NECESSARY BY THE CITY OF DALLAS.

SPECIAL NOTES: DEED WITHOUT WARRANTY AND NO TITLE INSURANCE POLICY PROVIDED TO BUYER ALL SOLD PROPERTIES WILL BE CONVEYED TO THE BUYER THROUGH A DEED WITHOUT WARRANTY WITH MINERAL RESERVATIONS BY THE CITY OF DALLAS. THE CITY SHALL NOT PROVIDE A TITLE INSURANCE POLICY TO THE BUYER.

NO OUTSTANDING LIENS, CODE VIOLATIONS, DELINQUENT TAXES OR CLAIMS – A PROSPECTIVE BUYER OF A PROPERTY WILL BE DISQUALIFIED TO BE SOLD THE PROPERTY IF THAT BUYER: (A) OWNS PROPERTY THAT HAS AN OUTSTANDING CITY LIEN AGAINST IT; (B) OWNS PROPERTY THAT IS IN VIOLATION OF THE CITY BUILDING OR PROPERTY CODES; OR (C) OWES THE CITY DELINQUENT TAXES OF ANY KIND. A BUYER WHO IS INELIGIBLE TO PURCHASE A PROPERTY SHALL FORFEIT ITS DEPOSIT. WINNING BIDDERS WILL EXECUTE A CERTIFICATION THAT THE BUYER IS NOT INELIGIBLE TO PURCHASE PROPERTY AND IT SHALL BE SWORN TO AS PART OF THE BUYER'S AFFIDAVIT WHICH WILL BE EXECUTED AT PSA EXECUTION. A BUYER WHO IS DETERMINED TO BE INELIGIBLE SHALL HAVE A REASONABLE TIME, DETERMINED SOLELY BY THE CITY, TO CLEAR UP THE INELIGIBLE CONDITION PRIOR TO THE CITY'S DECLARATION OF THE BUYER'S FORFEITURE. CITY COUNCIL APPROVAL – THERE MAY BE CERTAIN INSTANCES WHEN THE CITY COUNCIL WILL HAVE TO MAKE A DETERMINATION AS TO WHETHER TO ACCEPT THE BID OF A PROSPECTIVE PURCHASER PRIOR

TO A PROPERTY BEING CONVEYED TO THAT PURCHASER. THE CITY RESERVES THE ABSOLUTE RIGHT TO REMOVE ANY PROPERTY FROM ANY AUCTION SALE FOR ANY REASON AND AT ANY TIME PRIOR TO THE COMMENCEMENT OF THE AUCTION (UP TO AND INCLUDING THE DAY OF THE AUCTION SALE).

ABSOLUTE AND RESERVE SALES:

PROPERTIES IDENTIFIED IN THE AUCTION BROCHURE AS BEING AUCTIONED ON AN "ABSOLUTE" BASIS, (i) WILL BE SOLD TO THE HIGHEST BIDDER, AND (ii) ARE ONLY AVAILABLE AS ABSOLUTE ON THE DAY OF THE AUCTION. THE PROPERTIES NOT IDENTIFIED AS ABSOLUTE WILL BE AUCTIONED WITH A "RESERVE," i.e., RESERVE PROPERTIES WILL BE SOLD ONLY UPON SELLER'S APPROVAL OF THE BID PRICE; WHICH APPROVAL MAY BE WITHHELD FOR ANY REASON WHATSOEVER AND AT THE SELLER'S SOLE AND ABSOLUTE DISCRETION. IN CERTAIN CASES, THE CITY OF DALLAS CITY COUNCIL MAY NEED TO APPROVE THE OFFER. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE AUCTIONEER AND THE SELLER RESERVE THE RIGHT TO ADD OR DELETE ANY PROPERTY FROM THE AUCTION AT ANY TIME, OR TO ALTER THE ORDER OF SALE FROM THAT PUBLISHED IN THE AUCTION BROCHURE OR ELSEWHERE. THE AUCTIONEER AND SELLER RESERVE THE RIGHT TO OFFER EACH PROPERTY INDIVIDUALLY OR BY COMBINING CONTIGUOUS PROPERTIES.

ALL PROPERTIES ARE BEING SOLD "AS IS" AND "WITH ALL FAULTS" WITH NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED.

YOU SHOULD BE AWARE THAT: ANY PERSON ATTENDING THE AUCTION IS A GUEST OF THE AUCTIONEER AND SHALL BE PERMITTED TO PARTICIPATE AND REMAIN AT THE AUCTION ON THE DAY OF THE SALE SOLELY AT THE DISCRETION OF THE AUCTIONEER. NO MODIFICATION TO THE FORM OF THE PSA WILL BE ACCEPTED. THE FAILURE OF THE WINNING BIDDER TO BOTH EXECUTE THE PSA IN THE FORM PRESENTED AND TENDER THE EARNEST MONEY DEPOSIT ON THE DAY OF THE SALE, MAY RESULT IN THE VOIDING OF THE WINNING BIDDER'S BID, IN THE SOLE AND ABSOLUTE DISCRETION OF THE SELLER.

EACH BIDDER IS RESPONSIBLE FOR PERFORMING DUE DILIGENCE ON EACH PROPERTY THAT HE OR SHE EXPECTS TO BID ON, INCLUDING, BUT NOT LIMITED TO, PERSONAL ON-SITE INSPECTION OF EACH SUCH PROPERTY PRIOR TO THE AUCTION. THE INFORMATION PROVIDED TO PROSPECTIVE BIDDERS HAS NOT BEEN INDEPENDENTLY VERIFIED BY THE SELLER, AND THE ACCURACY OF ANY AND ALL SUCH INFORMATION IS NOT WARRANTED IN ANY WAY, INCLUDING, BUT NOT LIMITED TO, INFORMATION ON ANY PROPERTY CONCERNING UTILITIES, LEASES, ZONING, ACREAGE OF PARCELS, SQUARE FOOTAGE OF IMPROVEMENTS, OR ANY PHOTOGRAPHS THEREOF. EACH PROSPECTIVE BIDDER ACKNOWLEDGES AND AGREES THAT (i) IT IS NOT RELYING ON ANY INFORMATION THAT HAS BEEN OR MAY BE PROVIDED TO IT BY THE SELLER IN DECIDING WHETHER OR NOT TO BID ON A PROPERTY, AND (ii) IT HAS CONDUCTED ITS OWN DUE DILIGENCE INVESTIGATION OF EACH PROPERTY ON WHICH HE/SHE DECIDES TO BID, PRIOR TO THE AUCTION. THERE IS NO OBLIGATION ON THE PART OF THE SELLER TO UPDATE ANY SUCH INFORMATION. ALL ANNOUNCEMENTS MADE AT THE AUCTION BY THE AUCTIONEER OR ANY OTHER MEMBER OF THE SELLER TAKE PRECEDENCE OVER ANY AND ALL ADVERTISING OR OTHER INFORMATION PROVIDED REGARDING ANY PROPERTY. THE RESPECTIVE RIGHTS AND OBLIGATIONS OF THE SELLER AND THE WINNING BIDDER/BUYER AS TO ANY PROPERTY, WHICH SHALL BE AS SPECIFICALLY SET FORTH IN THE PSA COVERING THAT PROPERTY, THAT NO MEMBER OF THE SELLER SHALL HAVE ANY LIABILITY WHATSOEVER FOR ANY ORAL OR WRITTEN INFORMATION RELATING TO ANY PROPERTY INCLUDED IN THE AUCTION, INCLUDING, WITHOUT LIMITATION, ANY SUCH INFORMATION APPEARING IN THE AUCTION BROCHURE OR ANY ANNOUNCEMENTS MADE AT THE TIME OF THE AUCTION.

THERE IS NO MINIMUM STARTING BID REQUIRED FOR ANY PROPERTY. THERE IS NO OBLIGATION ON THE PART OF THE SELLER TO ACCEPT ANY BACKUP BIDS IN THE EVENT THE HIGH BIDDER FAILS TO PERFORM. A SAMPLE COPY OF THE PURCHASE AND SALE AGREEMENT (PSA) CAN BE OBTAINED BY CALLING THE AUCTION COMPANY OR VISITING OUR WEBSITE WWW.CITYOFDALLASAUCTION.COM.

AUCTIONEER DISCLOSURE:

THE AUCTIONEER AND ALL LICENSEES EMPLOYED BY OR ASSOCIATED WITH THE AUCTIONEER REPRESENT THE SELLER IN THE SALE OF THE PROPERTIES INCLUDED IN THE AUCTION.

FURTHER DISCLAIMERS:

A. PROPERTIES SOLD "AS IS" AND "WITH ALL FAULTS."

All property will be sold by Seller to the winning bidder/BUYER on an "as is" and "with all faults" basis. The winning bidder/BUYER accepts all faults of the property whether known or unknown, presently existing or any that may arise hereafter. The winning bidder/BUYER acknowledges and agrees that the Seller has not made, does not make and specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guarantees of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning, or with respect to: (i) the value, nature, quality or condition of the property, including, without limitation, the water, soil and geology; (ii) the income to be derived from the property; (iii) the suitability of the property for any and all activities and uses which the winning bidder/BUYER may conduct thereon or there from; (iv) the compliance of, or by, the property or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body; (v) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the property; (vi) the manner or quality of the construction or materials, if any, incorporated into the property; (vii) the manner, quality, or state of repair of the property; (viii) the existence of any view from the property or that any existing view will not be obstructed in the future; or (ix) any other matter with respect to the property, and specifically, without limitation, that the Seller has not made, does not make, and specifically disclaims any representation regarding compliance with (a) the Americans with Disabilities Act, (b) any environmental protection, pollution or land use laws, rules, regulations, orders or requirements, including solid waste (as defined by the U.S. Environmental Protection Agency regulations at 40 C.F.R., Part 261), or (c) the disposal or existence, in or on the property, of any hazardous substance (as defined by the Comprehensive Environmental Response Compensation and Liability Act of 1980 ("CERCLA"), as amended, and regulations promulgated there under).

B. WINNING BIDDER/BUYER RELYING ON OWN DUE DILIGENCE CONCERNING PROPERTY.

The winning bidder/BUYER further acknowledges and agrees that having been given the opportunity to inspect the property prior to the auction date; the winning bidder/BUYER is relying solely on its own investigation of the property, and is not relying on any information provided, or to be provided, by the Seller. The winning bidder/BUYER further acknowledges and agrees that any information provided by or on behalf of the Seller with respect to the property, including, without limitation, all information contained in any property information package previously made available to the winning bidder/BUYER by the Seller, was obtained from a variety of sources and that the Seller has not made any independent investigations or verification of such information and makes no representation as to the accuracy or completeness of such information.

C. SELLER GIVING NO REPRESENTATIONS OR WARRANTIES.

The Seller shall not be liable or bound in any manner by any oral or written statements, representations or information pertaining to the property, or the operation thereof, that is furnished by any real estate broker, agent, employee, representative or any other person. The Seller makes no representations or warranties with respect to the physical condition or any other aspect of the property, including, without limitation, (i) the structural integrity of any improvements on the property, (ii)

the conformity of the improvements to any plans or specifications for the property that may have been or may be provided to the winning bidder/BUYER, (iii) the conformity of the property to applicable zoning or building code requirements, (iv) the existence of soil instability, (v) past soil repairs, (vi) susceptibility to landslides, (vii) sufficiency of under-shoring, (viii) sufficiency of drainage, or (ix) any other matter affecting the property, including, without limitation, the stability or integrity of the land or any buildings or improvements situated thereon.

D. WINNING BIDDER/BUYER RELEASES SELLER.

The winning bidder/BUYER and anyone claiming by, through, or under the winning bidder/BUYER hereby fully and irrevocably releases the Seller from any and all claims that the winning bidder/BUYER may have or may hereafter acquire against the Seller for any costs, losses, liabilities, damages, expenses, demands, actions or causes of action arising from or related to any construction defects, errors, omissions or other conditions, including environmental matters, affecting the property or any portion thereof. This release includes claims which the winning bidder/BUYER is presently unaware of, or for which the winning bidder/BUYER does not presently suspect to exist in his favor, which, if known by the winning bidder/BUYER, would materially affect the winning bidder/BUYER's release of the Seller. The winning bidder/BUYER acknowledges and agrees that it is willing to give the foregoing release because of the purchase price at which it was able to acquire the property at auction. The winning bidder/BUYER and anyone claiming by, through, or under the winning bidder/BUYER hereby fully and irrevocably waives claims against the Seller for consequential and/or punitive damages arising out of or relating to the purchase or attempt to purchase the property from the Seller.

E. WINNING BIDDER/BUYER INDEMNIFIES AND HOLDS SELLER HARMLESS.

THE WINNING BIDDER/BUYER ASSUMES THE RESPONSIBILITY AND LIABILITY FOR ANY CLAIM OR ACTION BASED ON OR ARISING OUT OF INJURIES OR DEATH TO PERSONS OR DAMAGES TO OR DESTRUCTION OR LOSS OF PROPERTY, SUSTAINED OR ALLEGED TO HAVE BEEN SUSTAINED BY THE WINNING BIDDER/BUYER, ITS AGENTS, PRINCIPALS AND/OR EMPLOYEES, IN CONNECTION WITH, ARISING OUT OF, OR INCIDENTAL TO, THE AUCTION, INCLUDING BUT NOT LIMITED TO THE PERFORMANCE OF THE PSA, REGARDLESS OF WHETHER SUCH CLAIMS OR ACTIONS ARE FOUNDED IN WHOLE OR IN PART UPON ALLEGED NEGLIGENCE OR NEGLIGENT MISREPRESENTATIONS OF OR BY THE SELLER. THE WINNING BIDDER/BUYER FURTHER AGREES TO INDEMNIFY AND HOLD HARMLESS THE SELLER WITH RESPECT TO ANY SUCH MATTERS AND AGREES TO DEFEND ANY CLAIM, SUIT, OR ACTION BROUGHT AGAINST THE SELLER IN THAT REGARD.

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