

Terms and Conditions of Bidder Participation

For the Sale at _____ on _____, 2010

Legally described as: _____

READ THIS AND ALL SALES INFORMATION AS TO THE PROPERTY, REVIEW THE PURCHASE AGREEMENT, AND LISTEN CAREFULLY TO ALL ANNOUNCEMENTS BEFORE SUBMITTING A BID. YOU ARE BOUND BY THE PROVISIONS OF THESE TERMS AND CONDITIONS, THE CONTRACT OF SALE, AND THE ANNOUNCEMENTS. THE SALE OF THIS PROPERTY IS "AS IS" WITHOUT ANY PROMISE, REPRESENTATION OR WARRANTY OF ANY NATURE, EXPRESS OR IMPLIED, ORAL OR WRITTEN, OTHER THAN AS MAY BE EXPRESSLY CONTAINED HEREIN. YOU ASSUME ALL RISKS OF ANY NATURE IN SUBMITTING A BID AND IN BUYING THE PROPERTY.

REGISTRATION:

All visitors to the Property ("Bidder(s)") are required to register by giving their full name, address, and phone number, and to have read the Purchase Agreement and these Terms and Conditions prior to inspecting the Property and/or bidding at the auction. The undersigned Bidder hereby acknowledges and agrees that it has done so. The undersigned is being allowed to enter the Property and be present at auction in reliance on the foregoing acknowledgement and agreement.

CONTRACT EXECUTION:

In the event you as a Bidder submit a bid that is acceptable to the Seller, Bidder (and after the Purchase Agreement is executed, the "Buyer") shall be required to promptly sign the Purchase Agreement, a form of which has been provided to you prior to, and is available at, the auction. These Terms and Conditions are included in the Purchase Agreement and are made a part thereof.

DEPOSITS:

At the time of auction you are required to make an initial non-refundable deposit of **\$10,000** in the form of bank check, guaranteed funds or such other form as has been approved by Auctioneer prior to auction. Bidder acknowledges and agrees that the initial deposit plus any additional amounts subsequently paid by you as a deposit (the "Deposit") shall be non-refundable and shall be applied to partially cover damages in the event you are in breach of the Contract. The initial Deposit and any money subsequently paid by Bidder as a Deposit will be held by I.R.A.Y. Auction in an interest bearing real estate trust account. Seller shall be entitled to retain the Deposit (in whole or partial settlement of its claims and among/together with other remedies available to Seller) in accordance with the remedies set forth herein and I.R.A.Y. Auction holding such Deposit shall accordingly be duly authorized to release the money from the real estate trust account to the Seller. In the event a closing is set by Seller pursuant to the Contract of Sale and Buyer fails to close thereunder or Seller delivers a notice of default but the Buyer objects in writing to the transfer of the Deposit to Seller, the Buyer shall have the right to commence an action to have I.R.A.Y. Auction submit the Deposit to a court of competent jurisdiction. In the event Buyer fails to bring such action (and duly serve the I.R.A.Y. Auction) within thirty (30) days after the date set for closing or the date of delivery of the default notice), I.R.A.Y. Auction is hereby authorized and instructed to release the Deposit to Seller.

BUYER'S PREMIUM:

A Buyer's premium ("BP") of ten percent (10%) will be added to the amount of successful Bidder's high bid at auction. The total Purchase Price included in the Contract of Sale shall therefore be 10% higher than the amount actually bid at auction by the successful Bidder. Bidder hereby expressly agrees that Bidder has reviewed the information posted at the website: www.iraymn.com and are participating at an auction sale of the Property organized and conducted by Broker/Auctioneer. Bidder hereby expressly agrees further that it will therefore use its best efforts and take all action necessary to ensure that at closing of a sale of the Property where it or any affiliate is the purchaser, Broker/Auctioneer (defined below) will receive a commission equal to no less than the BP unless agreed to by all parties before closing.

AS IS/WHERE IS SALE NO WARRANTY: Except as expressly provided in these Terms and Conditions, the Property is being sold by Seller in "**AS IS, WHERE IS**" condition, without warranty of any nature, either express or implied, including, but not limited to, the nature and/or condition of the Property, its acreage and usage, and zoning. The Property and its sale are subject to all conditions, easements, agreements, covenants of record, and other restrictions, if any. Seller represents and warrants to Buyer as follows: (i) there are no property management or maintenance agreements that will affect all or any portion of the Property after the Closing; (ii) to the Seller's knowledge, there are no existing or pending improvement liens affecting the Property; (iii) there are no existing, pending or, to Seller's knowledge threatened lawsuits affecting the Property; and (iv) Seller has not caused any Hazardous Substance (defined below) to be used, generated, stored or disposed of on or transported to or from the Property in violation of any environmental laws during the period in which Seller has owned the Property. For the purposes of this paragraph,

"Hazardous Substance" shall mean petroleum based products, asbestos, PCBs and all other hazardous substances, wastes or material which are so defined in any environmental laws.

CLOSING; TITLE; TAXES AND CHARGES:

Seller will convey title by Warranty Deed, subject only to the exceptions set forth in the ALTA title insurance commitment for the Property prepared by _____ and heretofore provided to Buyer and posted on the auction website: www.iraymn.com. Buyer shall be responsible for the payment of all title insurance premiums payable to _____ who shall serve as title agent in connection with this transaction. Seller shall convey the Property free and clear of any monetary encumbrances. Prior to auction, Bidder should determine the existence of any encumbrances. No buildings department or other municipal violation shall be deemed to be a monetary encumbrance, unless the municipality has filed a lien in connection with the corrections thereof. Closing shall take place on _____, 2010 (or as otherwise agreed by the parties) in the county where the Property is located (the "Closing" or "Closing Date"). Time is of the essence with respect to the Closing Date being on _____, 2010 or any mutually agreed extensions thereof. All expenses associated with the Property such as Property taxes and water charges shall be adjusted as of the Closing Date. Ad valorem and similar taxes assessed against the Property shall be prorated between Seller and Buyer at the time of Closing on the basis of a 365-day calendar year. Prorations shall be based upon current year's taxes and assessments, if available, or upon figures for the last preceding year and all proration shall be final as of Closing. Any then due but unpaid special assessments, special improvement district or taxing district levies, shall be prorated in the same manner as ad valorem taxes. The foregoing obligations shall survive the Closing. In the event Seller agrees (at its sole and absolute discretion) to extend the date of the Closing, then beginning on the 30th day after the sale date, interest of 1% per month (to be accrued on a monthly basis) will be paid by you on the unpaid amount. Time is of the essence. At the Closing, Seller and Buyer shall each be responsible to pay their respective documentary stamps and transfer/state deed taxes, if any, due on the deed of conveyance. Any other expenses or charges shall be allocated to the parties in accordance with the customs of the state in which the Property is located.

NOTICE:

All announcements made the day of sale take precedence over any prior written information, these Terms and Conditions, or any verbal information that may have previously been provided. **All information contained on the I.R.A.Y. Auction website, in any advertisements, in any oral communications, or in announcements made the day of sale was obtained from sources believed to be accurate. However, no warranty or guarantee, expressed or implied, is intended or made.** Neither I.R.A.Y. Auction (Lic. Real Estate Broker), or their respective affiliates, agents or representatives (collectively, "Broker/Auctioneer"), nor the Seller make or have made any representation or warranty with respect to the accuracy, correctness, or completeness of the information provided to any Bidder regarding the Property, the contents or meaning of such information, or the valuation of the Property. Each Bidder must independently investigate and confirm any information or assumptions on which such Bidder's bid(s) are based. **Any decision to purchase or not to purchase the Property is the sole and independent business decision of the Bidder. Neither Broker/Auctioneer, nor Seller shall be liable for any errors or incorrect information, and Bidder hereby agrees that it waives all claims and has no recourse or cause of action of any nature against Broker/Auctioneer, or Seller (or any of their respective agents) arising from any information provided to Buyer OR relating in any way to the "As Is, Where Is" status of this sale. The Property is offered for sale to qualified purchasers without regard to race, color, religion, sex, sexual orientation, marital status or national origin.**

CANCELLATION OR WITHDRAWAL FROM SALE:

Broker/Auctioneer has the right to reject any bid or raise which, in its opinion, is not commensurate with the value of the offering. In the event of any dispute between Bidders, Broker/Auctioneer may determine the successful Bidder or re-offer and re-sell the Property in dispute. Should there be any dispute after the sale, Broker/Auctioneer's record of final sale shall be conclusive.

LIABILITY OF AUCTIONEER:

Broker/Auctioneer is not the Seller of the Property. Broker/Auctioneer is an independent contractor that has been retained by the Seller to assist in the sale of the Property by auction. All claims of any nature that a Bidder has, if any, are solely against the Seller. Bidder agrees that Broker/Auctioneer and the escrow agent shall not be responsible or liable in any way hereby release them, to the greatest extent permitted by law, from any and all claims of any nature relating to the Property, the condition of the Property, and the Seller's inability or refusal to comply with the provisions of any information, these Terms and Conditions, or the Contract of Sale. In the event Bidder files a claim against Broker/Auctioneer, and in the event Broker/Auctioneer is the substantially prevailing party as to such claim, then in that event Broker/Auctioneer shall be entitled to recover from the Bidder the full amount of the attorneys' fees Broker/Auctioneer incurs in connection with the claim.

SELLER'S REMEDIES:

If Bidder fails to execute the Contract of Sale at the amount bid at auction, fail to complete settlement as provided herein or defaults in any manner under these Terms and Conditions, Bidder shall be responsible to Seller for the damages set forth below as liquidated damages (and not as a penalty) as Seller's sole remedy. Further, if Bidder fails to execute the Contract of Sale at the amount bid at auction, fail to complete settlement as provided herein or defaults in any manner under these Terms and Conditions, the Seller, in addition to retaining the Deposit and being entitled to collect liquidated damages (and any interest and cost of collection with respect thereto) may undertake any and all legal and equitable actions, including without limitation, a suit for specific performance. At no time after a default by Bidder shall Seller be restricted from selling the Property in any manner it deems appropriate. Seller shall also be entitled to recover from Bidder all attorneys' fees and cost of litigation (including expert fees) incurred in connection with any claim between Bidder and Seller where Seller is the substantially prevailing party. Seller and Buyer agree that upon a default of Buyer, the damages that would be sustained by Seller will be uncertain and not readily ascertainable. Therefore, Buyer hereby acknowledges and agrees that for the purposes of any damage calculation, fair and accurate measure of damages shall be 25% of the amount of Buyer's highest bid at auction. In addition to any damages owed to Seller, failure to execute a Contract of Sale after submitting a successful bid at auction, or failure to close as required by a validly executed Contract of Sale shall result in your being liable to Broker/Auctioneer for an amount equal to the BP plus all of Broker/Auctioneer's out of pocket fees associated with the auction, as liquidated damages (such amount also being a fair and accurate measure of actual damages).

BUYER'S REMEDIES:

If Seller is in default hereunder for failure to comply with any one or more of the material terms or conditions of this Contract and such failure continues for more than ten (10) business days after receipt of written notice, Buyer at its sole option may either: (i) terminate this Contract by written notice delivered to Seller on or before the Closing, in which event Buyer shall be entitled to full return of the Deposit, (ii) waive such defaults and proceed to Closing; or (iii) bring an action against Seller for specific performance. Buyer hereby knowingly waives any and all right to institute any action, claim or suit for damages against Seller with respect to any default by Seller hereunder.

JURISDICTION; VENUE; JURY TRIAL WAIVER:

The respective rights and obligations of the parties with respect to the Terms and Conditions of Sale, the Contract of Sale, and the conduct of the auction shall be governed and interpreted by the internal laws of the state where the Property is located (without regard to principles of conflicts of laws). **The parties further agree to waive any right that they might have to a jury trial in connection with any dispute arising out of or relating in any way to these Terms and Conditions, the Contract of Sale, or the Property, and the parties hereby acknowledge that, in so doing, they are waiving a valuable right.**

RISK OF LOSS:

Seller assumes all risks and liability for damage to or injury occurring to the Property by fire, storm, accident, or any other casualty or cause until the Closing has been consummated. If the Property, or any part thereof, suffers any damage in excess of 10% of the Purchase Price prior to the Closing from fire or other casualty, which Seller, at its sole option, does not elect to repair, Buyer may either at or prior to Closing (a) terminate this Contract, or (b) consummate the Closing, in which latter event all of Seller's right, title, and interest in and to the proceeds of any insurance covering such damage to the extent the amount of such insurance does not exceed the Purchase Price, shall be assigned to Buyer at Closing. If the Property, or any part thereof, suffers any damage less than 10% of the Purchase Price prior to the Closing, Buyer agrees that it will consummate the Closing and accept the assignment of the proceeds of any insurance covering such damage plus an amount equal to Seller's deductible under its insurance policy and there shall be no reduction in the Purchase Price.

REPORTING OF FOREIGN INVESTMENT:

Buyer agrees to comply with any and all reporting requirements applicable to the transaction which is the subject of this Contract of Sale which are set forth in any law, statute, ordinance, rule, regulation, order or determination of any governmental authority and further agrees upon request of Seller to furnish Seller with evidence of such compliance.

MISCELLANEOUS:

These Terms and Conditions are hereby incorporated into the Contract of Sale. The person signing these Terms and Conditions and the Contract of Sale individually represents that, if he/she is acting on behalf of an entity, that he/she is fully and validly authorized to act on behalf of the entity and that the entity is financially capable of fulfilling the Terms and Conditions and the Contract of Sale. The Terms and Conditions and the Contract of Sale may be assigned to an affiliated entity at closing; provided, however, until the closing you shall remain responsible for the terms and conditions agreed to herein. Broker/Auctioneer is hereby explicitly named as a third-party beneficiary hereunder.

I have read and understand and agree to these Terms and Conditions.

BUYER: _____

By: _____

Name: _____

Title: _____

Date: _____