

REAL ESTATE SALE TERMS AND CONDITIONS

December 19, 2018

1. **CONDITIONS OF SALE:** The terms and conditions for this sale are set forth in the Purchase and Sale Agreements which will be executed by successful bidders at the auction. Copies of the Purchase and Sale Agreements are available for inspection prior to this event by contacting Western Real Estate Auctions, LLC (referred herein as WREA or Broker).
2. **AUCTION PROCEDURE:** These two auction tracts are subject to court order under US Bankruptcy Court Eastern District of Washington, Case No. 18-00544-FLK7 and will be offered separately and/or combined. All bids remain open until the auctioneer declares the bidding closed. The sales price for each Tract shall be determined by competitive bidding at the auction. **A 10% BUYER'S PREMIUM WILL BE ADDED TO THE HIGH BID(S) TO DETERMINE THE TOTAL CONTRACT SELLING PRICE(S).** Should any dispute arise between bidders, the Auctioneer shall have the right to make the final decision to either determine the successful bidder or to re-sell the Tract that is in dispute. The auction will be recorded and if any dispute arises following the auction, the Auctioneer's sales records shall be conclusive in all respects.
3. **BIDDER REGISTRATION REQUIREMENTS:** This Auction is for registered bidders and their guests. **ALL BIDDERS, prior to receiving a bid number, must provide sufficient evidence to the Seller and Broker that they have adequate funds and/or financing to close on the offered Tract.** Bidders must register their name, address, and telephone number with the registration clerk, providing photo I.D. (i.e. driver's license); and a **\$50,000 bidder deposit, per Tract**, in cashier's check made payable to Pacific Alliance Title Company. If bidding on both properties or Tracts, Bidder must have two separate \$50,000 Bidder Deposit checks. All checks for additional deposit which may be necessary for the winning bidder must also be made payable to Pacific Alliance Title Company. All bid deposits of unsuccessful bidders will be returned to them at the close of the oral auction. Bidder registration will begin at 12:00 noon at the Best Western Vintage Valley Inn, 911 Vintage Valley Parkway, Zillah, WA 98953. The Seller and/or Broker reserve the right to refuse admittance to or expel anyone from the auction premises for interference with the auction activities, nuisance, canvassing or any other reasons.
4. **TERMS:** Cash at closing within twenty (20) days of Bankruptcy Court approval.
5. **EARNEST MONEY:** At the conclusion of the auction the high bidder for any given Tract or parcel will be required to deposit with the Broker as an initial earnest money deposit, a sum equal to ten percent (10%) of the Sale Price for the Tract. The bidder deposit will be credited against the purchaser's Earnest Money Deposit obligation under the Purchase & Sale Agreement.
6. **RIGHT TO ACCEPT OR REJECT:** These properties are being offered for sale subject to US Bankruptcy Court approval. Except where prohibited by law, the Auctioneer may open bidding on any Tract by placing a bid on behalf of the Seller and may further bid on behalf of the Seller by placing successive or consecutive bids for a Tract, or by placing bids in response to other Bidders. The Seller may withdraw a Tract at any time prior to the announcement of the completion of the sale by the Auctioneer. Auctioneer is not acting as an agent for any bidder in any capacity, and is acting exclusively as the Seller's agent. Seller reserves the right to accept or reject any and all offers for any reason, however, the sole purpose of this auction is to sell the properties. Please come prepared to purchase at the auction.
7. **TRACT INFORMATION:** Tract information containing a copy each of the Purchase and Sale Agreements, Preliminary Title Reports, Plat Maps, Law of Real Estate Agency and other Tract specific information is available online at bookerauction.com or by contacting Western Real Estate Auctions at (509) 297-9292.
8. **CONFIRMATION OF BID:** Successful bidder(s) will execute a "Confirmation of Bid" immediately upon award of the right to execute an offer to purchase as announced by the Auctioneer. Successful bidder(s) must complete the Purchase and Sale Agreement(s) at the close of the oral auction, day of auction.

9. CLASSIFICATION: The tax roll indicates that some tracts have been designated as Farm & Agricultural land pursuant to RCW 84.34. A sale of said land or removal of the designation for other reasons may subject the land to the lien of an additional tax and penalty. NOTE: In the event that the classification is to continue, and to expedite the closing of the contemplated transaction, the purchaser hereunder may be required to submit to Yakima County Assessor, a farm management plan for approval and a copy of such approval be submitted to Escrow prior to the date of closing. Failure to do so may cause delays in the closing process.

10. CREDIT BIDDING: Bidders should be aware that parties holding liens against the Tract that have been determined to be valid will have the right to credit bid the amount of their liens. In order to make a credit bid, a bidder must be prepared to pay in cash at Closing: (a) the amount of any liens senior to the credit bidder against the Tract as approved by the United States Bankruptcy Court for the Eastern District of Washington ("Court"); (b) the Buyer's Premium described in paragraph 2; and (c) all costs of Closing as described in the Purchase & Sale Agreement. Seller reserves the right to modify the requirements for credit bidders based on the circumstances of the specific credit bidder.

11. ENVIRONMENTAL DISCLAIMER: Seller and WREA do not represent, warrant or covenant with Buyer(s) with respect to the existence or nonexistence of any pollutants, contaminants, 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 demised premises. Buyer is to rely upon it's own environmental audit or examination of the premises.

12. CLOSING: The sale transactions must close within twenty (20) days of Bankruptcy Court approval unless extended in writing by the Seller with possession given at closing. Sales will be closed by Pacific Alliance Title Company, 311 N 4th Street, Suite 102, Yakima, WA 98901.

13. CLOSING COSTS AND PRORATIONS: Purchasers of the Tract shall pay all closing costs including, but not limited to, title insurance premiums, survey fees, if any, excise tax, if any, recording fees, escrow fees, and sales or use tax, if any. Seller will pay delinquent taxes and other delinquent assessments, if any. 2018 real estate taxes will be prorated at closing.

14. ADDITIONAL TERMS AND CONDITIONS: All dimensions and descriptions are approximations only based on the best information available and are subject to possible variation. Bidders should inspect the Tract and also review all of the pertinent documents and information available at Western Real Estate Auctions as each bidder is responsible for evaluating the Tracts and shall not rely upon the Seller or WREA. The Seller, WREA or their agents assume no liability for errors or omissions. The Tracts herein are being sold subject to federal, state and county laws, ordinances and regulations which may affect the Tracts and its use, including all conditions, restrictions and limitations and other matters of record. The Tracts are being sold on an "AS IS, WHERE IS" basis and without any warranties or representations, expressed or implied. No claim will be considered for allowance, adjustment or rescission based upon failure of the Tracts to correspond to any particular representation, belief, standard or exception. Broker, at his sole discretion, reserves the right to accept a personal check from a pre-qualified bidder in-lieu of a cashier's check. Seller and/or WREA at their sole discretion, have the right to postpone or cancel the auction, in whole or in part, to add or delete properties, and to modify or add any terms and conditions of sale and to announce such modifications or additional terms and conditions either prior to or at the auction. Announcements made at the auction will take precedence over printed matter.

15. AGENCY DISCLOSURE: Western Real Estate Auctions is representing the Seller and will be paid by the Seller. Each purchaser will be required to acknowledge such agency.

16. SELLER'S PERFORMANCE: The Seller has agreed to the terms of the sale as published. However, the Broker makes no warranties or guarantees as to the Seller's performance. All properties are being offered for sale to qualified purchasers without regard to the prospective purchaser's age, sex, race, sexual orientation, disability, ethnicity, marital status, color, religion or national origin.

17. FAILURE TO CLOSE: In the event that the successful bidder fails to close for any reason, the Earnest Money shall be non-refundable and Seller shall have default rights as set forth in the Purchase and Sale Agreement.

18. CHATTEL PROPERTY: These sales of real estate tracts do not include any personal property or chattel property.
19. INDEMNITY AND RELEASE OF ALL CLAIMS: Buyer(s) will release and fully indemnify Seller against any and all claims resulting out of the possession, occupancy, or control of the Tracts after Closing.
20. Auction Tracts are being sold by legal description, not acres.
21. Certain permits and procedures may be necessary before the dairy Tract can be reinstated as a dairy or other high density large animal use. See email message from Yakima County Planning Department that is included in the Tract information available.
22. BROKER PARTICIPATION: A cooperating broker referral fee will be paid to the appropriately licensed real estate broker whose pre-registered prospect pays and successfully closes on auction tract(s) sold in this sale. Participating brokers must follow all guidelines set by the selling Broker and be pre-registered on Company letterhead no later than 5:00 p.m. on Friday, December 14, 2018. No agent will be recognized on a prospect who has previously contacted or been contacted by the Seller or its representatives. Registered broker(s) and their client(s) must attend the Auction.