

REAL ESTATE
PRELIMINARY TERMS AND CONDITIONS OF SALE

Luxury Lakefront Estate
2124 Christina Cove
Hoover, AL
Thursday, June 22, 2017

TARGET AUCTION & LAND COMPANY, INC. ("Auction Company"/"Auctioneer") has a contract with Terry W. Johnson and Sheron Johnson (Hereinafter referred to as the "Seller"), to offer at auction a luxury home located at 2124 Christina Cove in Hoover, Shelby County, AL. The property will be selling to the highest bidder with a published minimum bid at or above \$995,000.

THE PROPERTY IS BEING SOLD AS-IS AND WITH NO CONTINGENCIES

A 10% BUYER'S PREMIUM WILL BE ADDED TO THE WINNING BIDS TO DETERMINE THE TOTAL PURCHASE PRICE

ORDER OF SALE: AUCTION BEGINS AT 11:00 A.M. (CT). Registration begins at 9:30 A.M. (CT)

Registration Fee: A \$25,000 cashier's check or certified funds will be required in order to bid on the property.

1) TERMS OF SALE

- A) This is a CASH SALE with a TEN PERCENT (10%) down payment based on the Total Contract Price for the Property due on auction day with the balance remaining due at closing. This sale is not contingent upon Purchaser's ability to obtain financing.
- B) **REGISTRATION FEE:** A certified or cashier's check for \$25,000 will be required to bid on the home.
- C) Any person bidding on behalf of another person or entity must have a valid, legally enforceable, unexpired, Power Of Attorney approved by Seller before the auction.
- D) If for any reason the purchaser fails or refuses to deposit the required funds or to execute the Contract for Sale & Purchase ("Sales Contract") immediately after being confirmed the high bidder, the Seller reserves the right to declare the bidder's rights forfeited and may resell the property.
- E) Possession will be given at closing. Possession is not authorized before closing.
- F) A 10% Buyer's Premium will be added to the final bid to determine the total contract price paid by the purchaser.
- G) **SURVEY:** The property will be selling by an existing legal description. Should purchaser desire any survey work, it will be at the purchaser's option and expense.

2) PROPERTY DISCLOSURES

- A) This property is selling with all rights-of-way and easements of record.
- B) Portions of the property may be located in a flood zone.
- C) The property will be selling subject to the Declaration of Protective Covenants of Southlake (Residential), as well as any addendums, guidelines, by-laws, rules and regulations, etc.. These HOA dues are currently \$373.00 per year, have been paid in full for the year 2017 and will be prorated at closing.
- D) The property will be selling subject to the Valley Lake Association, Inc. Rules for Use of Indian Valley Lake. These dues are currently \$40.00 per year.
- E) The existing appliances will be conveyed with the property; however, Seller has not occupied the property recently and Seller does not warrant the condition of the appliances.
- F) No furnishings or personal property will be conveyed: Selling the real estate only.

3) PROPERTY INFORMATION

- A) The Property will be conveyed by Warranty Deed, free and clear of all liens and encumbrances, subject to the terms and conditions relating to such liens and encumbrances contained in the Sales Contract and the Title Commitment.
- B) The Property is selling "AS IS" subject to, and any CONTRACT IS NOT CONTINGENT upon, any state of facts an accurate survey or personal inspection of the Property may reveal, any existing or proposed rights-of-way, prior reservation or conveyances, restrictive or protective covenants, easements, encroachments, rights or claims of parties in possession, zoning, building codes, permits, governmental agencies regulations, environmental conditions (including but not limited to wetlands, riparian, or littoral rights), flood zones, zoning or subdivision regulations, hazardous materials, water rights or water access, mineral rights or reservations, leases or tenancies, and subject to all title exceptions as set forth in the Title Commitment.

4) PROPERTY INSPECTION

- A) It is the purchaser's sole responsibility, before bidding, to: 1) inspect the real property and the immediate surroundings, and to be satisfied as to their condition prior to bidding; 2) review all property information; 3) independently verify any information they deem important including information available in public records; and 4) inquire of public officials as to the applicability of and compliance with land use laws, zoning, building codes, health, sanitary, safety and fire codes, any environmental laws and regulations, and any other local, state or federal laws and regulations. Portions of the property may be located in a flood zone.
- B) All information contained in the brochure and all promotional materials, including, but not limited to, square footages, acreage, dimensions, zoning, maps, taxes, etc., was provided by the Seller and is believed to be correct; however, neither the Seller nor the Auction Company makes any guarantee or warranty as to the accuracy or completeness of such information. Neither the Seller nor the Auctioneer is required to update any information.

Purchaser and/or Purchaser's Agent/Broker shall bear the responsibility to confirm all information relevant to the property prior to bidding and/or for verifying all acreage and square footage amounts through public records.

5) BIDDER REGISTRATION

In order to register to bid at this auction you must sign in at the registration table to obtain a bidder number. The bid/offer made by the Bidder on auction day shall be binding on the Bidder. The confirmed Bidder (the "Purchaser") shall pay the required Earnest Money Deposit to Target Auction & Land Company, Inc. on Auction day and shall execute and deliver a completed Contract for Sale and Purchase (the "Sales Contract"), together with all related Exhibits for such Property at the Auction. The fully executed Sales Contract (together with all related Exhibits thereto) shall control all terms and conditions of the sale and constitute the entire agreement between

Purchaser and Seller. In the event of any conflict between these Terms and Conditions of Sale and Terms and Conditions of such Sales Contract, the Terms and Conditions of the Sales Contract shall prevail. NO CHANGES TO THE TERMS OF THE SALES CONTRACT WILL BE PERMITTED. PURCHASER WILL BE REQUIRED TO ENTER INTO THE SALES CONTRACT "AS IS" ON AUCTION DAY.

6) **CLOSING**

- A) **Closing shall be scheduled on or before Monday, July 24, 2017.** Target Auction Co. shall deposit, in their Escrow Account, the down payment until closing of the property. Closing will take place at the office of Halbrooks & Allen, LLC located at #1 Independence Plaza, Suite 704, Birmingham, AL 35209. Contact William H. Halbrooks at 205-871-0780 to schedule your closing. It is your responsibility to call the office and schedule your closing date. **Deadline to close is Monday, July 24, 2017.**
- B) The proceeds due from the Purchaser at closing shall be in U.S. cash, locally drawn bank, certified or cashier's check or confirmed wire transfer.
- C) Seller will pay for preparation of the deed, Title opinion/commitment, and prorated taxes. Purchaser will be required to pay all other closing cost including but not limited to survey fees, recording fees, attorney's fees, Title Insurance and loan/financing fees if any, etc.. Taxes and HOA dues will be prorated to day of closing.
- D) If Purchaser is obtaining a loan to finance the property purchase, purchaser agrees not to use any lender that restricts the selling agents fee's, commission, or any expense money that is due Target Auction Co. It is the Purchaser's responsibility to inquire in advance of loan application / commitment with lender about any fee restriction to Seller's agent. This sale is not contingent upon Purchaser's ability to obtain financing.

7) **DEFAULT**

It is agreed by all parties that in the event the Purchaser fails to close and pay his/her balance when due, Seller and Auction Company reserves all rights allowed by law and the Sales Contract, including a suit for damages, specific performance or cancellation of the transaction, with the Seller to retain the Earnest Money Deposit. Any action taken after Purchaser's default shall be solely at the Seller's option with all costs incurred by Seller being paid by the Purchaser. If any legal action is required to enforce this agreement, or to collect any fees or costs earned or advanced pursuant thereto, the Seller or Auction Company shall be entitled to recover any and all costs of such action, including, but not limited to, the expenses and court costs of the action [and] a reasonable attorneys fee.

8) **AUCTIONEER'S AGENCY DISCLOSURE**

The Auctioneer is acting exclusively as the agent for the Seller in this transaction and is to be paid a fee by the Seller pursuant to a separate written agreement between Seller and the Auction Company. The Auctioneer is not acting as an Agent in this transaction for the Purchaser. Any third party Buyer Broker is not a Subagent of Auction Company.

9) **DISCLAIMER**

- A) Personal on-site inspection of the property is recommended and bidders are advised to independently verify all information they deem important. This property is being sold "as is, where is" and "with all faults". The seller, auctioneer, and/or auction company have not made, do not make and will not make, and hereby disclaim any representation or warranty, whether expressed or implied or statutory, whether oral or written, with respect to the property, including, without limitation, any warranty as to their value, condition, suitability, merchantability, marketability, operability, tenant ability, habitability, zoning or subdivision regulations, mineral rights, environmental condition, soil condition, sink holes or percolation, compliance with any building code, safety and health codes, or other governmental agency rules or regulations, or fitness for a particular use or purpose. No guarantees are given as to the availability of utilities or accesses or the permitted or allowable uses on the property.
- B) Neither the Seller, its Attorneys, any Broker, nor the Auction Company shall be liable for any relief including damages, rescission, reformation, allowance or adjustments based on the failure of the property, including, but not limited to, amount of square feet, acreage, zoning, and environmental or hazardous conditions to conform to any specific standard or expectation, or any third party documents or information.

10) **EQUAL OPPORTUNITY CLAUSE**

All bidding is open to the public. The Property is available to qualified Purchasers without regard to race, color, religion, sex, familial status, national origin, or physical handicap.

11) **AUCTIONEER'S NOTE**

- A) All decisions of the Auctioneer are final as to the methods of bidding, disputes among bidders, increments of bidding and any other matters that may arise before, during, or after the auction. Auctioneer reserves the right to deny any person admittance to the Auction or expel anyone from the Auction whom attempts to disrupt the Auction.
- B) All announcements made Auction Day supersede any prior oral or written statements. The Seller reserves the right to add to or delete all or a portion of the Property prior to commencement of the bidding, by gavel of Auctioneer, for that Lot or portion of the Property, before or at the Auction. Target Auction may at its discretion, change or modify any part of the sales contract or terms of sale at any time prior to contract without further notice to any bidder or buyer.

12) **LIABILITY**

ALL PERSONS WHO ATTEND THE SALE DO SO AT THEIR OWN RISK. NEITHER THE SELLERS AND/OR TARGET AUCTION COMPANY NOR ANY OTHER PERSON CONNECTED WITH THE SALE ASSUME ANY LIABILITY LEGAL OR OTHERWISE, FOR ANY ACCIDENTS, WHICH MAY OCCUR. TARGET AUCTION CO. IS ACTING AS SELLING AGENTS ONLY.

By signing below, purchaser(s) and seller(s) acknowledges this 'Exhibit A' consists of two pages and has read and understood same and is made a part of the CONTRACT FOR SALE AND PURCHASE.

Executed by Buyer(s) on June 22, 2017

Executed by Seller(s) on June 22, 2017

