

**Hawaii Auction  
November 26<sup>th</sup>, 2011**

**BIDDER REGISTRATION  
WITH  
TERMS AND  
CONDITIONS**

**PREMIERE ESTATES  
AUCTION COMPANY**



AUCTIONEERS OF EXCEPTIONAL PROPERTIES

**BIDDER #**

\_\_\_\_\_  
To be completed by PEAC representative

**Bidder Registration Form with Terms and Conditions**

Please complete this BIDDER REGISTRATION FORM WITH TERMS AND CONDITIONS & return to Premiere Estates Auction Co. by 5:00pm (PST), Friday, November 25th, 2011.  
Fax to 310-798-8883 or mail or return in person to 1230 Rosecrans Avenue, Suite #160, Manhattan Beach, CA 90266.  
For more details please call Premiere Estates Auction Company at 310-698-3625

**Property Interested In:** \_\_\_\_\_

**BIDDER INFORMATION**

Last name \_\_\_\_\_ First name \_\_\_\_\_  
Co-Bidder last name \_\_\_\_\_ Co-Bidder first name \_\_\_\_\_  
Email \_\_\_\_\_ Phone \_\_\_\_\_  
Your address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**How did you hear about the auction?** \_\_\_\_\_

**FINANCING INFORMATION** (CHECK ONE)

**NOTE: Although not required, all Bidders are requested to pre-qualify with Met Life, Eric Formiller 310.308.7144**

I/We plan to use Premiere Estates Auction Company's preferred lender (Met Life)  
 I/We plan to use another lender (lender name and phone: \_\_\_\_\_)  
 I/We plan to pay with cash

**BROKER PARTICIPATION** (CHECK ONE)

I/We are not represented by a Real Estate Agent  
 I/We are represented by a Real Estate Agent

If Buyer is represented by a Real Estate Agent, please have the Agent complete the following in or order to qualify for the cooperating commission: Real Estate Agent must sign below, accompany the Bidder to the Auction and complete and sign the Broker Registration Form. See the Auction Brochure and Broker Registration Form for complete details.

BROKER NAME: \_\_\_\_\_ AGENT NAME: \_\_\_\_\_  
PHONE NUMBER: \_\_\_\_\_ AGENT SIGNATURE: \_\_\_\_\_

**BIDDER ACKNOWLEDGEMENT**

The property and auction information, including Terms and Conditions, Disclosures, Prelim Title Report and Auction Real Estate Purchase and Sale Contract are also available for review and download at [www.PremiereEstates.com](http://www.PremiereEstates.com).

Bidder's signature \_\_\_\_\_ Date \_\_\_\_\_  
Co-Bidder's signature \_\_\_\_\_ Date \_\_\_\_\_

Bidder's initials \_\_\_\_\_

The following sets forth the Terms and Conditions which govern the auction ("Auction") conducted by Premiere Estates Auction Company and its affiliated companies ("PEAC" or "Auctioneer" ) and Hawaii Life Brokers ("Broker") with respect to real property ("Property" or "Properties") being sold by Seller(s) ("Seller"). The prospective bidders of the Property participating in this auction ("Bidders") agree to register for such auction and to be bound by the Terms and Conditions as provided herein. These Terms and Conditions are incorporated into the respective Auction Real Estate Purchase and Sale Contract ("Purchase Contract") which successful bidders ("Winning Bidders") will be required to execute in order to complete their purchase.

The auction ("Auction") will be conducted by Premiere Estates Auction Company, Inc. ("PEAC") on behalf of said Seller. The Seller will accept the highest bid if it meets the Reserve Price and will agree to convey the Property to the highest qualified bidder. PEAC may open the bidding at a price which may differ from the suggested opening bid price listed on any Multiple Listing Service or other literature or print. Bidding shall be accepted in a manner and in such increments as shall be determined by PEAC. Should there be any dispute among competitive bidders for the Property, PEAC may reopen bidding on the Property or may, at PEAC's sole discretion, designate one of the bidders as the successful bidder. All decisions by PEAC shall be final.

Bids will only be accepted from bidders who have delivered to PEAC the following, PRIOR to the commencement of the Auction (if you are bidding by phone or online the following must be received by Premiere Estates Auction Company no later than Friday November 25<sup>th</sup>, 2011):

- (1) A fully completed and signed copy of the Bidder Registration Form with Terms and Conditions Document and
- (2) A cashier's check in the amount of \$10,000 ("Registration Deposit") drawn on a US based bank acceptable to PEAC, made payable to Title Guarantee of Hawaii ("Escrow Agent" and "Escrow Holder") and
- (3) A blank personal check for the balance of the deposit (if you are bidding by phone or online a wire transfer is required within 48 hours after the auction).

Immediately after the conclusion of the Auction, the successful bidder ("Buyer") will be required to sign the Purchase Contract and Escrow Instructions ("Purchase Contract") and other documentation concerning the Property. A EIGHT PERCENT (8%) Buyer's Premium will be added to the final bid amount (gavel price) to determine the total purchase price that will be stated in the Purchase Contract. If you are bidding by phone or online the signed documentation must be received by Premiere Estates Auction Company within 24 hours after the auction.

The Purchase Contract further provides that all deposits made by the Buyer, including the Registration Deposit, the Initial Deposit, and, if applicable, the extension fee, shall be released by the Escrow Holder in accordance with the Purchase Contract. The Buyer will be required to pay customary buyer's closing costs, including, but not limited to, document preparation fees, recording fees, tax pro-rations, title fees and escrow fees. Possession of the Property will be given to Buyer one (1) business day after the closing date.

PEAC will return to the unsuccessful bidders their Registration Deposit at the conclusion of the Auction (deposits/checks for phone and online bidders will be returned to bidders 48 hours after the auction).

Prospective bidders may review the Property Information online at [www.PremiereEstates.com](http://www.PremiereEstates.com). PEAC encourages all bidders to inspect the Property and review the Property Information including the form of Purchase Contract the winning bidder will be required to sign immediately after the conclusion of the auction. PEAC requires all bidders to acknowledge that they have reviewed the Property Information prior to the Auction. Neither PEAC nor the Seller shall be liable for the accuracy, errors, or omissions of any and all documents provided. Prospective bidders should independently verify any information being materially relied upon in making their decision to purchase.

Neither Seller, nor PEAC shall be liable for any relief, including damages, rescission, reformation, allowance or adjustment based on the failure of the Property to conform to any specific standard or expectation.

PEAC is acting exclusively for the Seller of the Property. You acknowledge and understand that PEAC is not acting on your behalf in this transaction.

PEAC and the Seller reserve the right to deny any person admittance to the Auction, to postpone or cancel the Auction and to change any terms of the Auction or particular conditions of sale upon announcement prior to or during the course of the Auction. PEAC reserves the right to sell the Property prior to the Auction.

All Property Information on the PEAC website shall be deemed to be a part of this Terms and Conditions. However, only the Purchase Contract signed by Buyer and Seller shall set forth Seller's obligations to the successful bidder/buyer and with respect to the Property; therefore, in the event of any inconsistency between any terms of the Purchase Contract and anything contained in the Bidder Registration Form, Terms and Conditions or any Property Information on the PEAC website or as otherwise furnished by PEAC, the terms of the Purchase Contract shall control.

## 1. REGISTRATION

In order to participate at the Auction, prospective Bidders must first register for the event.

The registration form may be found on [www.PremiereEstates.com](http://www.PremiereEstates.com) or at any of the open houses. The Bidder Registration form should be completed and submitted to PEAC by 5pm, Friday, November 25<sup>th</sup>, 2011. We strongly advise that you also print the Bidder Registration form with Terms and Conditions and bring it with you to the Auction.

A prospective Bidder may also register at the Auction. Prospective Bidders are requested to pre-qualify for financing with a Premiere Estates Auction Company preferred lender. For special auction financing and a list of our preferred lenders please call the auction administrator at 310-698-3625.

**If you are bidding by phone or online your registration form must be received by Premiere Estates Auction Company by noon on Friday November 25<sup>th</sup>, 2011. Please mail your registration form (along with your \$10,000 Registration Deposit) via certified mail to Premiere Estates Auction Company or call Premiere for wiring instructions. Send to Attn: Administrator at 1230 Rosecrans Ave., Suite 160, Manhattan Beach, CA 90266.**

## 2. PROPERTY TOURS AND INSPECTIONS

There will be several open houses prior to the date of the Auction for prospective Bidders to view and inspect the property. The prospective Bidder must inspect the Property during such open house dates prior to the Auction. Each prospective Bidder is also encouraged to utilize the services of their own real estate broker/agent and contractors in connection with their evaluation of the Property and its condition.

In order to obtain the open house schedule or to otherwise schedule a time to see the Property or perform an inspection, the prospective Bidder should visit our website at [www.PremiereEstates.com](http://www.PremiereEstates.com) or call PEAC at (310) 698-3625. Property specific documentation, including a preliminary title report, will be available on the PEAC website and at the auction event. Such documents should be reviewed prior to the Auction.

A Prospective Bidder who executes a Purchase Contract for the Property (hereinafter referred to as a Buyer) will represent and warrant therein that (1) it has had adequate time, access and opportunity to inspect the Property prior to its execution of the Purchase Contract; (2) it is not relying upon any representations by the Seller, its employees or agents concerning the Property; (3) it is aware that the condition of the Property is not known to the Seller and the Seller has not inspected it; (4) it has made all inspections it deemed necessary concerning the Property or has elected to make no inspections or only a partial inspection of the Property; (5) it has reviewed the preliminary title report for the Property and had an opportunity to review all matters identified in such report; (6) it is satisfied with the Property and the condition of all improvements thereon including their structural integrity and insurability; (7) it is aware of and has reviewed all conditions covenants and restrictions and any homeowner association documents applicable to the Property, if any; (8) it is aware of all laws, ordinances, including zoning and building codes, and environmental conditions and restrictions applicable to the Property and its use; (9) it is aware of all hazards that may exist with respect to the Property and accepts the location of the Property and is aware of all earthquake fault zones, flood zones and fire hazards relevant to the Property and any effect they may have as to the insurability or the cost of insurance for the Property; it is acquiring the Property "AS-IS" and accepts the Property and the improvements thereon in their present condition, and that it has elected to proceed with the purchase transaction regardless of whether it has actually inspected the Property and notwithstanding any information that the Buyer may have learned about the Property and its condition.

The Seller, Broker and PEAC and all parties acting on their behalf shall not be liable for any losses, damages, expenses, injuries or claims of any kind or character, including attorneys' fees, to the Buyer and any other person or entity claiming rights on behalf of or based on their relationship with the Buyer, arising from, caused by or relating to the Property or information related to the foregoing that have been set forth, omitted or inaccurately stated by or on behalf of the Seller or on any online website display or marketing materials for the Property, including but not limited to the Property information

and the information on the PEAC website, or on any multiple listing service brochures, materials or information notwithstanding the fault of any Indemnities including, without limitation, the active or passive negligence of the Seller or any other Indemnities.

The prospective Bidder must complete their inspection of the Property before the date of the Auction for the Property. The condition and inspection of the property are not a contingency of the sale.

The Buyer will indemnify and hold the Seller, Broker and PEAC, its employees, agents, officers, directors and employees harmless from any claims, costs liabilities and expenses arising from or pertaining to any inspections of the Property by the Buyer and anyone acting on its behalf before the Auction. The Buyer shall not damage the Property, shall repair any damage that occurs and shall keep it lien free from any actions it takes or which are taken on its behalf to inspect the Property. The Buyer or any of its representatives making such inspections on its behalf shall carry, and provide evidence thereof to the Seller or Seller's agent if requested, worker's compensation and public liability insurance with such limits as required by the Seller that protects the Seller from any damages to persons or property arising from such inspections.

A Buyer who executes a Purchase Contract for the Property will have no right to rescind or cancel the Purchase Contract or the Escrow for the purchase based on facts or conditions thereafter discovered about the Property. The Buyer will also be agreeing that the Seller will not be required to make any repairs or improvements to the Property.

**ACCEPTANCE OF PROPERTY AS-IS; NO RELIANCE ON INFORMATION PROVIDED BY SELLER OR AUCTIONEER.**

The Buyer of the Property will agree that they are purchasing such Property "AS-IS, WITH ALL FAULTS" and that they are not relying upon any representations or warranties of the Seller, Broker, PEAC or any other parties acting on their behalf concerning the condition of the Property and any matters related thereto. Specifically, the Purchase Contract will include terms on the foregoing issues substantially as follows:

**BUYER'S ACCEPTANCE OF PROPERTY AS-IS REGARDLESS OF CONDITION.**

THE BUYER AGREES THAT IT IS PURCHASING THE PROPERTY AS-IS WITH ALL FAULTS REGARDLESS OF ANY MATTERS IT HAS DISCOVERED OR FAILED TO DISCOVER FROM ANY INSPECTION IT MAY HAVE MADE OF THE PROPERTY OR WHICH HAVE BEEN DISCLOSED OR NOT DISCLOSED TO THE BUYER FROM ANY SOURCE. THE BUYER ACCEPTS THE PROPERTY AND ALL STRUCTURES AND IMPROVEMENTS THEREON AS-IS REGARDLESS OF THEIR CONDITION OR ANY LATENT OR PATENT DEFECTS WHICH MAY EXIST OR SUBSEQUENTLY ARISE, OCCUR OR BE DISCOVERED WITH RESPECT TO THE PROPERTY, STRUCTURES OR IMPROVEMENTS. THE PURCHASER ACCEPTS THE PROPERTY WITH ANY ENVIRONMENTAL DEFECTS OR HAZARDS OR CONDITIONS THAT MAY EXIST, ARISE OR BE DISCOVERED WITH RESPECT TO THE PROPERTY OR THE REGION OR VICINITY WHERE THE PROPERTY IS LOCATED.

**NO SELLER REPRESENTATIONS ABOUT PROPERTY; FURTHER ACCEPTANCE OF CONDITION OF PROPERTY.**

THE SELLER, ITS EMPLOYEES AND AGENTS HAVE MADE NO REPRESENTATIONS OR WARRANTIES, ORAL OR WRITTEN CONCERNING THE PROPERTY, ANY STRUCTURES OR IMPROVEMENTS THEREON, AND THE BUYER ACCEPTS THE CONDITION THEREOF IN ALL RESPECTS, INCLUDING, BUT NOT LIMITED TO: THE CONDITION OF THE PROPERTY, THE CONDITION OF ANY STRUCTURES OR IMPROVEMENTS THEREON, OR THEIR SPECIFICATIONS SUCH AS SQUARE FOOTAGE, THEIR STATE OF REPAIR, THE MATERIALS USED IN THEIR CONSTRUCTION, THE CONFORMITY OF THE PROPERTY OR ANY STRUCTURES OR IMPROVEMENTS THEREON TO ANY PLANS OR SPECIFICATIONS OR CODE REQUIREMENTS, THEIR HABITABILITY, COMPLIANCE WITH ZONING LAWS, BUILDING CODES, HEALTH CODES, OR SAFETY CODES, AND THEIR COMPLIANCE WITH ANY AND ALL ENVIRONMENTAL POLLUTION OR PROTECTION LAWS AND REGULATIONS, ALL HAZARDOUS WASTE DISPOSAL LAWS, THE AMERICANS WITH DISABILITIES ACT, OR OTHER APPLICABLE LAWS, THEIR PRIOR USES OR POTENTIAL USES, THEIR FITNESS FOR A PARTICULAR PURPOSE OR THEIR OCCUPANCY STATUS OR ANY CLAIMS RELATED THERETO, THE VALUE OF THE PROPERTY, ANY INCOME THAT MAY BE EARNED FROM THE PROPERTY, EXISTING OR FUTURE VIEWS FROM THE PROPERTY, POTENTIAL IMPROVEMENTS TO THE PROPERTY OR EXPECTED PLANNED CHANGES IN THE SURROUNDING AREA, THE STATUS OR NATURE OF ANY PUBLIC UTILITIES OR SERVICES SERVING OR AVAILABLE TO THE PROPERTY, OR THE TYPE OF SEWAGE AND WATER SYSTEMS FOR THE PROPERTY, DRAINAGE, SOIL CONDITIONS OR STABILITY OR LANDSLIDE RISKS OR HISTORY THEREOF, ANY RISKS OR RESPONSIBILITIES REGARDING FLOODS OR ANY FLOOD HAZARD ZONE IN WHICH THE PROPERTY IS LOCATED, SEISMIC CONDITIONS OR SEISMIC RISKS OR PRIOR

SEISMIC EVENTS PERTAINING TO THE PROPERTY, FIRE HAZARDS OR PRIOR FIRE EVENTS (ALL OF THE FOREGOING REFERRED TO HEREINAFTER AS PROPERTY CONDITIONS); AND, THE BUYER ASSUMES THE RISK OF ALL OF THE FOREGOING PROPERTY CONDITIONS.

#### **RELEASE OF SELLER AS TO CONDITION OF THE PROPERTY.**

The Buyer will also be executing a release in the Purchase Contract of the Seller and all parties acting on its behalf regarding the condition of the Property and all information provided with respect to the Property. This release will cover any losses, damages, expenses, injuries or claims of any kind or character, including attorneys' fees, to the Buyer and any other person or entity claiming rights on behalf of or based on their relationship with the Buyer, arising from, caused by or relating to the Property, its condition or information related to the foregoing that have been set forth, omitted or inaccurately stated by or on behalf of the Seller or on any online website display or marketing materials for the Property or on any multiple listing service brochures, materials or information provided or made available notwithstanding the fault of any such persons or entities including, without limitation, the active or passive negligence of the Seller or any other parties acting on its behalf.

#### **3. PRELIMINARY TITLE REPORT**

The Preliminary Title Report is available on the PEAC website, [www.PremiereEstates.com](http://www.PremiereEstates.com) and in the Property Information Package. The Buyer's review and approval, during the escrow period, of the preliminary title report and other matters of record, not of record or which might be revealed by a survey or inspection of the Property will not be a contingency or condition for the completion of the purchase of the Property after the Buyer's execution of the Purchase Contract. The Seller is under no obligation to clear any liens or exceptions affecting title to the Property or to otherwise make the title to the Property marketable or insurable.

#### **4. AUCTION DEFINITIONS AND PROCEDURES**

Bidders should be familiar with the basic procedures and terminology of the PEAC Auction process. This begins with an understanding of the relevant terms used.

##### **Reserve Price**

The Seller of the Property has established a minimum price that it will accept for the Property. This is referred to as the Reserve Price, which is disclosed once met during the course of the Auction. If the Reserve Price is not reached during the course of the bidding process at the Auction the Seller is not required to sell the Property to the highest bidder. The opening bid, in certain cases, may be lower than the Reserve Price. In the event that the highest bid for the Property is below the Reserve Price then the Auctioneer may conditionally accept the bid on behalf of the Seller subject to the subsequent confirmation by the Seller accepting the sale of the Property for that price as described below.

##### **Previous Value**

"Previous Value" refers to the higher of the appraised value of the Property in connection with the most recent mortgage on the Property, the most recent sales price, the most recent asking price, the assessed value or the most recent broker price opinion for the Property.

##### **Winning Bidder**

The Winning Bidder is the person bidding on the Property who has been recognized by the Auctioneer as the highest bid for that Property. The Winning Bidder must immediately proceed to complete the Purchase Contract and open escrow at the Auction site following the final gavel (if you are bidding by phone, mail or online you must complete and return the Purchase Contract within 24 hours after the auction).

##### **Buyer's Premium**

The Winning Bidder for the Property at an auction agrees to pay a Buyer's Premium to PEAC equal to eight percent (8%) of the Winning Bid amount. This Buyer's Premium is added to the Winning Bid amount to determine the Total Purchase Price to be paid by the Buyer. Costs of sale and escrow including proration's are not included in the Total Purchase Price and must be paid by the Buyer through the close of escrow.

##### **Bidding at the Auction (for "in person" bidding)**

Prospective Bidders must be registered to bid and PEAC must be in receipt of the Registration Deposit. Upon receipt of the completed registration and Registration Deposit, Bidders will be provided with a Bidder's Paddle. Each participant in this Auction must use the bidding paddle provided to them at the Auction event. The announcements by the Auctioneer in this auction with respect to the Property, or a pre-approved procedure to be followed concerning the auctioning of the Property shall supersede any conflicting provisions in these Terms and Conditions. The Auctioneer may reject any bids and may elect to change the timing of offering of the Property for a bid or the sequence of such offering. The Auctioneer shall have sole discretion to determine any conflicts among bidders. The Winning Bidder is acknowledged as such and must thereafter proceed to the area designated at the auction to complete the purchase process. **For an All Cash**

transaction, this includes immediately providing evidence to PEAC and the Seller that the Winning Bidder is capable of closing the transaction without obtaining financing. Otherwise, the borrower will proceed to the lending area to begin the lending process. In both instances, the Winning Bidder must immediately execute the Purchase Contract, open escrow and provide the 10% Initial Deposit. All of the necessary legal documentation will be available for review prior to the auction and onsite at the Auction.

**Bidding at the Auction (for phone in or online bidding)**

**For online and phone bidding:** Contact Premiere Estates Auction Company for requirements. A log in web address or call in number along with your bidder number will be provided to you upon receipt of your completed registration forms and registration deposit (\$10,000 cashier's check or wire transfer). Your bidder registration forms and cashier's check (or a wire transfer) must be received no later than noon on Friday November 25th, 2011.

Our address is: 1230 Rosecrans Ave., #160, Manhattan Beach, CA 90266.

**5. EXECUTION OF PURCHASE CONTRACT AND OPENING ESCROW**

The Purchase Contract and Escrow Instructions must be executed by the Buyer immediately after becoming the Winning Bidder (if you are bidding by phone, mail or online you must complete and return the Purchase Contract within 24 hours after the auction) . The form of the Purchase Contract is on the PEAC website [www.PremiereEstates.com](http://www.PremiereEstates.com), and the Buyer is expected to have reviewed and become familiar with this agreement before attending the auction and bidding on the property. The Winning Bidder will have an opportunity to discuss the Purchase Contract with a PEAC agent prior to the auction. A representative of the Seller will execute the Purchase Contract at the same time as the Buyer, although the Seller has three business days to review and execute the Purchase Contract if it is not present or if it desires to consider a Winning Bid that was subject to the Seller's confirmation.

The Purchase Contract shall govern the relationship of the Buyer and the Seller from the point of its execution by the Buyer and the Seller through the Close of Escrow for transaction. In the event of a conflict between the Terms and Conditions of the auction as set forth herein and the provisions of the Purchase Contract, the Purchase Contract provisions shall prevail.

**6. PAYMENT OF BIDDER'S REGISTRATION DEPOSIT, INITIAL DEPOSIT AND BALANCE OF PURCHASE PRICE**

***For "in person" bidding:*** Upon the execution of the Purchase Contract, the Winning Bidder will be required to present to escrow their Initial Deposit (which includes the Bidder Registration Deposit) in the amount required under the Purchase Contract. The Initial Deposit shall be a total of Ten percent (10%), including the (the \$10,000 Bidder Registration Deposit) of the Total Purchase Price. The balance of the Initial Deposit is payable at the same time by means of cash or personal check. The Buyer shall pay the balance of the Total Purchase Price as well any additional costs and/or fees at the Close of Escrow in accordance with the terms of the Purchase Contract.

***For phone or online bidding:*** Your Bidder Registration Deposit is due at least 24 hours prior to the auction. If you are the winning bidder your Initial Deposit must be wired to escrow within 48 hours after the auction. The Initial Deposit shall be a total of Ten percent (10%), including the (the \$10,000 Registration Deposit) of the Total Purchase Price. The Buyer shall pay the balance of the Total Purchase Price as well any additional costs and/or fees at the Close of Escrow in accordance with the terms of the Purchase Contract.

**7. CLOSING OF ESCROW FOR THE PURCHASE; EXTENSIONS**

The escrow for the purchase transaction will be scheduled to close no later than forty five (45) days after the opening of escrow ("the Close of Escrow"), which in most cases will occur at the same time as the Purchase Contract is executed, unless escrow is extended or cancelled in accordance with the provisions of the Purchase Contract. If Buyer does not close escrow within forty five (45) days from the Auction date and desires an extension of the time for the closing of escrow, Buyer may purchase such extension for a period of not more than thirty (30) days by payment of the following amount: (i) \$200 for each day of the extension; (referred to as an "Extension Fee"). Any extension for a period of less than thirty (30) days may be extended again by the payment of an additional Extension Fee so long as the aggregate duration of all extensions does not exceed thirty (30) days. No extension will be permitted unless the payment of the Extension Fee is received by PEAC prior to the then pending date set for Closing. The payment of an Extension Fee must be in the same form as that of a Registration Deposit (i.e., cashier's check or wire transfer). No Extension Fee will be credited against the Purchase Price unless Seller otherwise agrees in writing. All Extension Fees are payable directly to Seller and are non-refundable. The Buyer agrees to pay all closing costs and other expenses as normally allocated to purchasers of real property in the area in which the property is located and shall be obligated to pay the entire escrow fee.

## 8. BUYER'S LIABILITY FOR LIQUIDATED DAMAGES

In the event that the Buyer fails to complete the Purchase Contract as required under the terms thereof then it will be required to pay the Seller liquidated damages which will be ten percent (10%) of the total purchase price for the Property. These liquidated damages will be deducted from the Buyer's Initial Deposit and the Buyer will receive a return of any remaining funds less escrow fees, costs, and expenses chargeable to the Buyer. The parties will be deemed to be mutually released from any further obligations regarding the completion of the purchase transaction. **HOWEVER, THE FOREGOING SHALL NOT LIMIT BUYER'S OBLIGATIONS TO PAY TO SELLER ALL ATTORNEYS' FEES AND COSTS OF SELLER TO ENFORCE THE PROVISIONS OF THIS AGREEMENT AND/OR BUYER'S INDEMNITY OBLIGATIONS UNDER THIS AGREEMENT. THE RETENTION OF THE INITIAL DEPOSIT AS LIQUIDATED DAMAGES IS NOT INTENDED TO BE A FORFEITURE OR PENALTY, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER.**

BUYER'S INITIALS \_\_\_\_

## 9. VESTING

The Buyers may take title in any manner which they determine. At the time of execution of the Purchase Contract, the Buyer will designate the manner with which it intends to take title. If title is not being taken by the Buyer individually, then the Buyer shall provide to escrow those organizational and authorizing documents requested by Escrow to verify the existence and authority of the entity which is taking title. The Seller will execute such deed as it determines in its sole discretion to transfer title to the Buyer at the Close of Escrow.

For purchases where the Buyer will take title other than as an individual, the documents which need to be provided at the time that escrow is opened include, but not are not limited to: Articles of Incorporation, Articles of Organization for Limited Liability Companies, Certificates of Partnership for Limited or General Partnerships, and Certifications or Declarations of Trust, depending upon the particular entity taking title. The Seller is under no obligation to clear any liens or exceptions affecting title to the Property or otherwise make the title to the Property marketable or insurable. If for any reason the Seller is not able to deliver free title subject to the exceptions permitted in the Purchase Contract, then either party may cancel the purchase transaction.

## 10. FINANCING

The Buyer is required to obtain his/her/its own financing. The sale is not contingent upon the Buyer's obtaining such financing. If the Buyer fails to qualify for his/her/its financing, and subsequently fails to close the sale by the closing date specified in the Purchase Contract, as the same may be extended, all of such deposits of the Buyer shall be retained by the Seller as liquidated damages under the Purchase Contract.

Please visit our website [www.PremiereEstates.com](http://www.PremiereEstates.com) or call (310) 698-3625 for pre-qualification information and a list of our preferred lenders. The buyer reserves the right to finance and close the purchase with non-PEAC approved lender. Nothing herein shall be viewed as a commitment to provide lending to any Winning Bidder by the Seller's approved lenders.

If a Buyer intends to use cash to complete their purchase transaction, the Buyer must provide satisfactory proof to both PEAC and the Seller upon the opening of escrow of their ability to produce sufficient funds to complete the transaction through payment of cash by the close of escrow. This may be established through bank statements or copies of other financial deposits.

## 11. BROKER PARTICIPATION

PEAC will pay a two and a half percent (2.5%) commission, based on the Winning Bid amount, to the qualified Hawaii Real Estate Broker/Agent representing Winning Bidders and who properly registered their clients for the Auction and attend the Auction with their clients. Each Broker must register and execute with PEAC at the time of their first inspection of the property with Client by filling out the Broker/Agent Registration form provided by PEAC; available at [www.PremiereEstates.com](http://www.PremiereEstates.com). In order to receive the full 2.5% commission, the Broker Registration Form must be submitted before the **deadline of 5pm, Friday November 25<sup>th</sup>, 2011**. If the Broker Registration Form is submitted anytime between 5pm on November 25th, 2011 and noon on November 26th, 2011, Broker/Agent will only be eligible for a 1.5% commission of the gavel price. Participating Brokers are responsible for inspecting the Property being purchased by their client in advance of the Auction and to be present, remain with their client through the course of the Auction and must accompany their client through the entire process of executing the Purchase Contract and opening escrow. If the

participating Broker does not sign the Purchase Contract at the Auction at the same time as their client then it shall not be entitled to a commission from PEAC.

**12. AGENCY DISCLOSURE**

PEAC discloses that it represents the Sellers only as the auction company and real estate broker as more particularly set forth on the disclosure form or format required by the state in which the Auction is being conducted. PEAC is not acting as an agent for the Buyer or as a dual agent for the Seller.

**13. ADDITIONAL AUCTION INFORMATION**

The Seller will represent that it is in compliance with the Federal Foreign Investment in Real Property Act, commonly known as FIRPTA, that it is exempt from withholding as it is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate; and, it will provide an affidavit to that effect prior to the Close of Escrow.

PEAC reserves the right to deny admittance of any person to the Auction or to request that any person leave the Auction at any time for actions interfering with the conduct of the Auction or for any other reason as determined by PEAC or the Auctioneer in their sole discretion. Properties may be withdrawn from the Auction at any time at the sole discretion of the Seller, PEAC or the Auctioneer, and may or may not be placed back in the Auction at a subsequent Auction event. The Auctioneer may change the terms of the Auction or the conditions for bidding upon the Property in its sole discretion. No claim will be considered for allowance, adjustment, or rescission based upon failure of the property to correspond to any particular expectation or standard (except the Preliminary Title Report).

All persons attending the Auction are consenting to any recording, audio or visual, of the Auction and its related activities by PEAC or persons or entities acting on its behalf. Consent is further given to the dissemination or public broadcast by PEAC and any other person or entity acting on its behalf of such recording including use of the image or likeness of any such attendee. This consent further extends to the dissemination of any information concerning or pertaining to Properties, bids, purchases or other activities or functions at the Auction including but not limited to the interaction of prospective Bidders online with the PEAC website.

In the unlikely event that the Seller does not honor any bid or fails to convey title in accordance with the winning bid or Contract entered into with respect to the Property, PEAC will not be held responsible or liable in any way.

As more specifically discussed above, prospective bidders are not considered eligible to bid at the Auction until PEAC receives this Bidder Registration with Terms and Conditions form and registration funds prior to the Auction, in a form acceptable to PEAC in its sole discretion.

PEAC as the Auctioneer may postpone or cancel any auction or withdraw any Property at any time, or revise the terms of an auction or conditions of a sale prior to or during the course of an auction.

Signatures on following page.

**BIDDER ACKNOWLEDGEMENT**

I/We HAVE RECEIVED, READ, UNDERSTOOD AND ACCEPTED the Terms and Conditions for the Auction which are also available for review and download from [www.PremiereEstates.com](http://www.PremiereEstates.com) and I/we have reviewed all onsite documents for the property for which I/we bid, including Prelim Title Report, Disclosures and Auction Real Estate Purchase and Sale Contract. All such terms are incorporated herein by reference.

\_\_\_\_\_ INITIAL \_\_\_\_\_ INITIAL

I/We UNDERSTAND AND AGREE that this property is being sold "As Is" and without any warranties, express or implied, and that it is my/our sole responsibility to inspect the property and any applicable conditions prior to the auction.

\_\_\_\_\_ INITIAL \_\_\_\_\_ INITIAL

I/We HAVE AUTHORIZED my/our lender to disclose my/our pre-qualification status to the Seller, its Agents and/or Assigns.

\_\_\_\_\_ INITIAL \_\_\_\_\_ INITIAL

Bidder's signature \_\_\_\_\_ Date \_\_\_\_\_

Co-Bidder's signature \_\_\_\_\_ Date \_\_\_\_\_

---

**For office use only:**

Date received \_\_\_\_\_ Pre-Qual \_\_\_\_\_ Cashier's Check \_\_\_\_\_ Personal Check \_\_\_\_\_ Bidder # \_\_\_\_\_