

REAL ESTATE

PRELIMINARY TERMS AND CONDITIONS OF SALE

Premier Home and 107± Acres Offered in 10 Tracts with 9 Selling Absolute

360 Son Johnson Road

Sardis City, Etowah County, Alabama

Saturday, October 6th, 2018 at 10:00 a.m. (CT)

TARGET AUCTION & LAND COMPANY, INC. (“Auction Company”/“Auctioneer”) has a contract with Ashley M. DeLorme (Hereinafter referred to as the “Seller”), to offer at auction a Premier Home and 108± Acres Offered in ten (10) Tracts with nine (9) selling to the highest bidder located at 360 Son Johnson Rd, Sardis City, Etowah County, AL 35956. The Property will be offered in tracts, combinations or as an entirety. Tracts 1, 2, 4, 5, 6, 7, 8, 9, 10 will be selling absolute with no minimum or reserve. Tract 3 (The Home on 5.33± Acres) is selling subject to the Seller’s confirmation of bid.

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

A 10% BUYER’S PREMIUM WILL BE ADDED TO THE WINNING BID TO DETERMINE THE TOTAL PURCHASE PRICE.

ORDER OF SALE: AUCTION BEGINS AT 10:00 A.M. (CT). Registration begins at 9:00 A.M. (CT)

Tract 3: The House on 5.33± Acres will be bid by the dollar. The remaining tracts will be sold using the “High Bidder’s Choice Method” (as designated by the Auctioneer). The high bidder has the right to select any tract and has the privilege of selecting all tracts if desired at the same price per acre. Once a selection(s) has been made, the auctioneer reserves the right to offer to other bidders the privilege of selecting the unsold tract(s) at the last high bid on a first-come, first-served basis. Then a new round of bidding begins with the highest bidder again choosing from the remaining tracts. A bidder will not be allowed to exchange a tract once that bidder has selected a tract. The Auctioneer reserves the right to rebid or regroup any or all of the tracts with a minimum of a five percent (5%) raise over the total price obtained in tracts to regroup. The Auctioneer and Seller reserve the right to sell the property in any manner they so desire. Individual purchases are to be considered as singular transactions and are not contingent upon the sale of any other properties.

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. The successful bidder’s registration fee will be applied toward the required deposit with the balance remaining due at closing within 30 days. This sale is not contingent upon Purchaser’s ability to obtain financing. No credit cards will be accepted. Driver’s License or State Identification must be presented upon acceptance of checks.
- B. **REGISTRATION FEE:** (1) TRACT 3 (The House on 5.33± Acres): A certified or cashier’s check made payable to Target Auction Escrow Account in the amount of **\$10,000.00** is required to bid or (2) Entirety (Tracts 1-10): A certified or cashier’s check made payable to Target Auction Escrow Account in the amount of **\$25,000.00** is required to bid.
- C. If for any reason the high bidder 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 and retain the registration fee.
- D. A 10% Buyer’s Premium will be added to the final bid to determine the total contract price paid by the purchaser.
- E. No personal property, furnishing or equipment will be conveyed with the real estate.
- F. Possession of property will be at closing.
- G. **SURVEY:** The property has been surveyed by Dowdy Land Surveying Services. The purchaser(s) will be responsible for the cost of the survey and this fee will be paid at closing. Only the corners will be marked, no boundaries or lines will be marked. The cost of the survey is \$340.00 per tract as purchased. If sold as an entirety, the fee will be \$400.00.
- H. The property will be sold with certain restrictions. The restrictions are posted for review.

2. PROPERTY DISCLOSURES

- A. The Property is selling subject to the Title Commitment (which is available for review) and all rights-of-way, easements of record, and other items of record.
- B. No guaranty or representation is made regarding any individual part of the property’s ability to pass a perc test.
- C. Portions of the property may be located in a flood zone.
- D. Any existing built-in appliances in the home will be conveyed with the property.

- E. Seller will convey all mineral, gas or oil rights applicable to the Property owned by Seller, if any.
- F. Fence lines may or may not represent boundary lines.
- G. Purchaser(s) is to allow access for removal of hay that has been cut and baled.
- H. Tract 5: Etowah County has requested that the Purchaser not improve the entrance with a culvert until the new bridge is completed. Estimated date of completion is on or before May 2019.

3. **PROPERTY INFORMATION**

- A. The Property will be conveyed by Warranty Deed, free and clear of all liens and encumbrances (except any prior conveyance or reservation of mineral and mining rights) 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.
- C. Any work performed by a potential bidder or on behalf of a potential bidder is solely at the expense and responsibility of the potential bidder.

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

5. **BIDDER REGISTRATION**

- A. To register to bid at the auction, you must sign in at the registration table to obtain a bidder number. Tract 3 (The House on 5.33± Acres) requires a certified or cashier’s check made payable to Target Auction Escrow Account in the amount of **\$10,000.00** to bid. The Entirety (Tracts 1-10) requires a certified or cashier’s check made payable to Target Auction Escrow Account in the amount of **\$25,000.00** to bid.
- B. 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 Escrow Account on auction day and shall execute and deliver a completed 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, November 5th, 2018.** Target Auction Company shall deposit, in their Escrow Account, the down payment until closing of the property. Closing will take place at the office of Williams & Associates LLC located at 2100 Club Drive #150, Gadsden, Alabama 35901. Contact Cathy Thomas (256) 442-0201 cathy@williamsattorneyatlaw.com. Wire instructions will be provided. **It is the Purchaser’s responsibility to schedule your closing. Deadline to close is on or before Monday, November 5th, 2018.**

- 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:** Preparation of the Deed, preparation of the Title Commitment, Sellers documents, and prorated taxes.
- D. **Purchaser will be required to pay all other closing cost including but not limited to:** Recording fees, Attorney’s fees, Owners/Lenders Title Insurance Policy and Loan/Financing fees (if any), and Survey fees, etc. All taxes will be prorated to the day of closing.
- E. If Purchaser is obtaining a loan to finance the property purchase, Purchaser agrees not to use any lender that restricts the selling agents fee, 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.

13. COUNTERPARTS AND ELECTRONIC SIGNATURES

This Contract may be executed in counterparts, each of which is deemed an original and together constitute one document. Counterpart signature pages may be delivered by facsimile, email or other means of electronic transmission. Electronic Signatures and Facsimiles shall serve as valid authority for this document and all documents pertaining thereto.

By signing below, purchaser(s) and seller(s) acknowledge this ‘Exhibit A’ consists of four pages and have read and understand same and is made a part of the CONTRACT FOR SALE AND PURCHASE.

Executed by Purchaser(s) on October 6th, 2018

Executed by Seller on October 6th, 2018

Ashley M. DeLorme