

AUCTION TERMS & CONDITIONS

AUCTION DAY

The Lumen Condominium Auction will be held on Saturday, July 11th, 2009 at 1:00 PM at the Grand Hyatt Hotel located at 721 Pine Street, Seattle, WA 98101. The auction will last approximately 1 hour. Bidders should plan to arrive at 11 am to pick-up their bidder packages.

PUBLISHED RESERVE

The Seller has established a minimum selling price (Published Reserve) for each property to be auctioned. No bid below the published reserve will be recognized by the Auctioneer. **There are no Buyer's Premiums or Hidden Reserves.** The auctioneer will accept bids only from qualified, registered bidders equal to or greater than the published reserve price. This public auction process ensures that you will be able to purchase the home of your choice!

AUCTION BUYER'S SEMINAR

An informative "Auction Buyer's Seminar" will be held at Lumen Condominiums on Wednesday, July 1st at 7:00 PM. If you've never bought a home at auction before, this seminar will be helpful for you. A practice auction will take place with a professional auctioneer, and there will be a "Question and Answer" session where you will learn about:

- Auction Terms and Conditions
- How to Register for the auction
- How to Bid at the auction
- How to Prequalify for Financing
- Information about the \$2,500.00 Seller paid closing allowance

OPEN HOUSE

The Auction Information Office is located on-site at Lumen Condominiums and is open seven days per week from 10 am to 6 pm. You will have the opportunity to view and inspect all of the homes prior to Auction Day.

COMMUNITY & HOME INSPECTIONS

Registered bidders are encouraged to inspect all of the homes prior to Auction Day. It is the responsibility of all prospective buyers to inspect the properties prior to the auction and satisfy themselves as to their physical condition. Prospective buyers assume all risks associated with any such inspection.

REVIEW AUCTION DOCUMENTS

Registered bidders are encouraged to thoroughly review the documents which are available in the Auction Information Office. A partial list of documents includes:

- a) Purchase Agreement and Escrow Instructions;
- b) Preliminary Title Report;
- c) Declaration of Covenants, Conditions and Restrictions (CC&R's);
- d) Seller Disclosures, and
- e) Home Owners Association Documents for Lumen Condominiums.

All Purchasers will become members of the Lumen Homeowners Association and will be assessed a monthly fee. Complete details are available at the Auction Information Center.

REGISTER TO BID

Auction Registration is required to be eligible to bid on Auction Day. Registration consists of completing and returning the Bidder Registration Form included in the Auction Brochure and online. Bidders should submit their Registration Form in person to the Auction Information Office or by fax to (206) 443 – 8099. All Registration Forms must be received by 6 PM on Thursday, July 9th, 2009. Potential registered bidders shall be solely responsible for confirming the delivery and timely receipt of their completed and signed Registration Form to the Auction Information Office. Bidder's failure to timely register with the Auction Information Office shall result in non-recognition of the bidder at the Auction.

AUCTION FINANCING

All auction bidders are required to be pre-qualified with Seller's Designated Lender prior to the Auction, including those bidders who wish to use another lender for their purchase, and bidders who will pay cash for their purchase. Therefore, no contingencies will be allowed upon the buyer's ability to obtain financing. For your convenience, pre-qualification by the Seller's Designated Lender is available on-site. A variety of current market rate financing programs are available through Seller's Designated Lender for all qualified participants. Representatives from Seller's Designated Lender will be available on-site prior to Auction Day.

DESIGNATED LENDER CLOSING INCENTIVE

Buyers who obtain financing through Seller's Designated Lender and close their escrows on or before the designated Close of Escrow date will receive a \$2,500.00 Seller paid Credit toward closing costs at the Close of Escrow. Please contact Seller's Designated Lender representatives or the Auction Information Office for further details regarding this closing incentive.

THIRD PARTY FINANCING AND CASH BUYERS

A buyer who chooses to apply for financing other than through the Seller's Designated Lender must submit a letter of pre-approval from their lender with a point of contact person for the lender **prior to Auction Day**. When submitting your Bidder Registration form Registered Bidders must bring their pre-approval letter with them on auction day. Registered Bidders who choose to pay cash for the purchase must submit **PROOF OF FUNDS**, such as original bank statements, to the Seller's Designated Lender prior to Auction Registration. **HOWEVER, ALL BUYERS MUST ALSO HAVE BEEN PRE-QUALIFIED WITH THE SELLER'S DESIGNATED LENDER (EVEN IF CHOOSING THIRD-PARTY FINANCING). REGISTERED BIDDERS MUST BRING THEIR SELLER'S DESIGNATED LENDER PRE-QUALIFICATION LETTER ON AUCTION DAY.**

ALL BIDDERS

In order to be eligible to bid at the LUMEN Auction, all registered bidders, including those using third party financing and those cash buyers, are required to be prequalified by Seller's Designated Lender prior to the auction. Neither the Seller, the Seller's Broker, nor the Seller's Auctioneer make any representation or warranty that the prospective buyer of any home will qualify for purchase financing from the Seller's Designated Lender and/or third party financing. Mortgage financing is subject to buyer's credit approval and completion of all loan documents and property appraisal.

BROKER COOPERATION

Broker Cooperation is encouraged from licensed real estate Brokers and their agents. A Broker Referral Fee equal to two percent (2%) of the winning bid amount will be paid to the broker who property registers a bidder who subsequently closes escrow. To qualify for a Broker Referral Fee, the broker must (1) accompany their clients on the **FIRST** visit to the Lumen Condominiums, and (2) attend the auction on Auction Day with their client, and (3) be present in the contract room with their successful bidder, and (4) assist with their contract documentation and loan processing, and (5) must also follow through with the overall Escrow completion, loan and/or cash requirements in order to successfully close escrow. Clients must register their broker on their Bidder Registration Form. All Cooperating Broker forms must be received at the Auction Information Office in person or via fax no later than Thursday, July 9th, 2009. **No Broker Registrations will be accepted on Auction Day.** Buyers and Brokers who do not comply with all of the above steps shall assume liability and be solely responsible for payment of any Broker Referral Fee due and payable to their broker.

CASH EQUIVALENT

To participate and bid, all bidders must bring with them on Auction Day a "Cash Equivalent" of \$5,000.00. This Cash Equivalent must be in the form of a Cashier's Check made payable to yourself. For winning bidders, your Cash Equivalent will be used as your initial Earnest Money Deposit. Should a bidder be approved to purchase more than one home, a separate Cash Equivalent will be required for each home. Successful multiple Lumen Condominium Home Buyers who wish to remain in the auction and bid on further properties, will be required to immediately endorse and deposit a separate \$5,000.00 Cashier's Check with the auction escort after each successful purchase. Multiple Lumen Condominium Home Buyers may remain in the Auction, but must complete the purchase documents on each Lumen Condominium Home immediately following the Auction.

DEPOSIT

Upon acknowledgment of a final successful bid, which bid shall be recognized at the auctioneer's sole and absolute discretion, an auction escort will usher the bidder out of the Auction room and into the document area. The bidder shall immediately sign a Bid Confirmation Form acknowledging the auctioneer's final successful bid amount. The Cashier's Check shall be endorsed to the Sellers Designated Title and Escrow Company and shall be used as your initial earnest money deposit which will total 5% of the purchase price. The additional money due for the total deposit must be paid by personal check by the winning bidder on Auction Day. Please bring your personal checkbook with you. The bidder will then complete and sign purchase documentation.

CLOSING

All Sales for Auction Homes shall close no later than Tuesday, August 11th, 2009. All buyers will be required to pay all buyers applicable and customary closing costs including, but not limited to, escrow fees, recording fees, normal pro-rations, title insurance premiums and fees, and document preparation fees.

EXTENSIONS

The Seller, at Seller's sole and absolute discretion, may grant an extension of the closing date. Any such requests for extensions must be made in writing and at least ten (10) days prior to their original scheduled closing date. All extension requests are evaluated by the Seller on a case-by-case basis and are solely at the Seller's discretion and, if granted, extension fees will be applicable. No Auction sale will be contingent upon receiving a closing extension from the Seller.

BUYER DEFAULT

If a buyer defaults on the terms of the contract Seller may retain buyer's total Earnest Money deposit of 5% of the Purchase Price and as per the terms of the Purchase Agreement.

ADDITIONAL CONDITIONS

1. No claim will be considered for allowance, adjustment or rescission based upon failure of the properties to correspond to any particular expectation or standard (except the Preliminary Title Report). No contingent buyer will be able to purchase at the Auction.
2. Title insurance is available for each Lumen Condominium Home ensuring the title of such properties to be lien-free, subject to no encumbrances, except for current taxes and assessments, easements, rights-of-way, reservations, covenants, conditions and restrictions of record and printed exceptions and exclusions in the standard Title Insurance Policy. A copy of the Preliminary Title Report may be inspected prior to the Auction.
3. Floor plans and maps are an artist's conception only. Sizes and square footage set forth in the floorplans for the homes are approximations only, based on the best information available, but actual sizes and square footage may vary. The Seller and Seller's Broker and Auctioneer do not guarantee the accuracy of any square footage, lot size or other information concerning the condition or features of the Lumen Condominiums provided by the Seller or obtained from public records or other sources. The bidder is advised to independently verify the accuracy of the information through personal inspection and with appropriate professional inspectors and/or advisors. Model homes may contain amenities and construction details that may not be present in the homes available for purchase. The Seller, the Seller's Broker and the Auctioneer make no representation or warranty that the homes available for auction purchase will contain any such amenities or construction details.
4. No buyer shall assign its rights under the Purchase Agreement to any other party, and any attempted assignment shall void the Purchase Agreement.
5. Bidding increases will be in such increments as the Auctioneer, in his or her sole discretion, directs. In the event of a dispute between Registered Bidders, the Auctioneer shall make the sole and final decision to either recognize the high bid or to re-offer and re-sell the properties in dispute. The Auction will be recorded and if any dispute arises following the Auction, the Auctioneer's records shall be conclusive in all respects. Registered Bidder's attendance at the Auction shall constitute registered bidder's consent to audio/video recording of the Auction.
6. On Auction Day, the properties will not necessarily be auctioned in the order in which they appear in the brochure. The order of bidding will be announced prior to the Auction on Auction Day.
7. Seller reserves the right to refuse admittance to or expel anyone from the Auction premises for interference with Auction activities, nuisance, canvassing, or other reasons. No alcoholic beverages will be allowed. No auction participant may take audio or video recordings of the auction.
8. The Seller has the right to postpone or cancel the Auction in whole or in part in its sole discretion, 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.
9. The information contained herein and all related Auction materials are subject to the terms and conditions of the Lumen Condominiums Auction and shall control the Purchase Agreement and all addenda.
10. This offer is void where prohibited. Brochures will not be mailed to residents of any state in which this offering is not in compliance with the real estate laws or other laws of that state.
11. All offers and subsequent sales are subject to these Terms and Conditions, as well as the Purchase Agreement and all Addenda.
12. **All bidders understand and accept that all properties shall be sold "as-is" with no warranties expressed or implied by the Seller, the Auctioneer, Property Solutions Group, LLC, TeamBuilder Auction Group, and/or the Broker, TeamBuilder John L. Scott. Bidders are advised to conduct any and all inspections prior to the Auction. Please contact a site agent for inspection details. Additionally, there are no contingencies whatsoever in connection with the purchase. If Buyer(s) fail to complete the purchase, their deposit shall be forfeited as per Liquidated Damages up to 5% of the purchase price.**
13. Seller, Auctioneer, Property Solutions Group, LLC, TeamBuilder Auction Group and/or Broker, TeamBuilder John L. Scott, make no warranties expressed or implied, or representations of any kind concerning the property, including but not limited to the physical condition of the property.