

TERMS AND CONDITIONS OF SALE FOR ON-LINE AUCTIONS

Small Business Administration (“SBA”) REO Properties

GENERAL INFORMATION:

A successful bid at a Bid4Assets, Inc. online auction of an SBA REO Property creates a legally enforceable obligation to purchase the property subject to final acceptance by the SBA. This obligation is governed by these Terms and Conditions, any Special Terms and Conditions published for the specific auction, and is subject to applicable federal law, rules and regulations pertaining to the sale and/or purchase of U.S. Government property. The successful bidder is legally bound to pay for property pursuant to that party’s successful bid.

ELIGIBILITY OF BIDDERS

The Bidder warrants that he/she is not: (a) under 18 years of age; (b) an employee of any department or agency of the Federal Government prohibited by the regulations of that agency from purchasing property sold hereunder; (c) an agent or immediate member of the household of the employee in (b), above; (d) Bid4Assets, Inc., a subcontractor or vendor thereto, or an agent thereof ; (e) a person with access to information concerning the property to be sold that is not generally available to the public; or (f) presently debarred or declared ineligible for the award of contracts by any Federal agency. Neither Bid4Assets, Inc., nor a subcontractor or vendor thereto may act as agent for a third party in purchasing SBA REO property. For breach of this warranty, SBA shall have the right to cancel the sale without liability and/or seek any other remedies available at law or equity as the circumstances warrant in SBA’s sole discretion.

REGISTRATION OF BIDDERS:

Persons wishing to participate in the bidding process of the sale are required to register online. An e-mail message will be sent by Bid4Assets, Inc. auction system to the bidder to verify the e-mail address. The bidder must click on the link to go back into the Bid4Assets, Inc. auction system to confirm the e-mail address and complete the registration process.

The registrant agrees that, should the registrant be the successful bidder, the following information regarding the transaction shall be published on the Bid4Assets, Inc. auction website: (1) the registered bidder's name; (2) the property's address; and (3) the purchase price of the property.

DEPOSIT:

Prior to bidding, bidders are required to establish a deposit account according to instructions on the auction site for the specified amount.

The successful bidder's deposit will be retained as the initial payment for the property. Cashier’s checks made payable to the bidder's name CANNOT be accepted.

INSPECTION OF PROPERTY:

The bidder is invited, urged, and cautioned to inspect the property prior to submitting a bid. Failure to inspect property shall not constitute cause for cancellation of sale. Property will be available for inspection at the times specified by Bid4Assets, Inc.. Absolutely no access to property is allowed without prior authorization. At their own expense, potential bidders may have property inspectors examine the property during regularly scheduled open houses. Buyer acknowledges responsibility for all costs associated with the abatement and remediation of any disclosed or potential hazards associated with the property.

LEAD-BASED PAINT (applies to *residential* properties built before 1978): Disclosure of Information on Lead-Based Paint and Lead- Based Paint Hazards and the EPA pamphlet “Protect Your Family From Lead In Your Home” will be available at scheduled viewing times, or may be obtained by calling 1-800-424-LEAD or visiting <http://www.epa.gov/lead>.

MODIFICATIONS:

SBA may make changes to the property status or descriptions on the auction site on the day of the sale. These changes take precedence over previous auction site information. Unless expressly stated, such changes do not alter the basic Terms and Conditions of Sale. Further, no alteration or interpretation of any provision of the sales contract, including applicable performance requirements, shall be binding on the SBA unless agreed upon in writing by SBA.

REAL PROPERTY DESCRIPTION/ CONDITION OF PROPERTY/BUYER’S INDEMNITY:

The SBA offers, and the successful bidder accepts, any and all SBA REO property for sale AS IS and WITH ALL FAULTS. SBA makes no representations or warranties whatsoever regarding the nature, value, source, authenticity, and/or any other aspect or characteristic of the property. No statement anywhere, whether express or implied, shall be deemed a warranty or representation by the SBA, the United States, and/or any of its agencies, agents, officers, employees and/or assigns regarding the property. Any disclosure by SBA of known faults is for descriptive purposes only. Any error or omission in the description shall not constitute grounds or reason for non-performance of the contract of sale, or claim by Purchaser for allowance, refund, or deduction from the purchase price.

Any and all buyers agree to release and hold harmless the SBA/United States government, and its agencies, agents, officers, employees and assigns, in their official and individual capacities, from any and all claims, demands, rights, and causes of action, or the like in any way arising from, by reason of, or in connection with, the SBA’s acquisition, ownership, possession, management, use, liquidation, maintenance/repair, disposition, sale, transfer (or related act or omission) of or in relation to the property. All information contained on the website and marketing was derived from sources believed to be correct, but there is no guarantee. Buyer acknowledges that he/she/it has relied entirely on his/her own information, judgment, and inspection of the property. If a material misrepresentation is determined before the final closing on the property, the SBA reserves the right to cancel the sale with SBA’s liability being limited to refund any earnest/deposit money paid, if buyer is not at fault.

OFFERING OF PROPERTY FOR AUCTION AND SUBMISSION OF BIDS:

The placement of a successful bid at a Bid4 Assets, Inc. online auction of an SBA REO property establishes a legally enforceable obligation to purchase the property subject to final acceptance by the SBA. Once the successful high bid is established, a written sales contract will be prepared to include the individual information of the high bidder along with the high bid amount. A contract may also be conditionally established with the recognized back-up bidder for execution if the high bidder defaults for any reason or is rejected by the SBA.

At the conclusion of bidding, A contract document will be sent to the successful bidder for signature. The contract must be returned to Bid4Assets, Inc. within 24 hours of receipt. At this time the contract will be presented to the SBA and is subject to their final acceptance. The SBA may withdraw the property at any time before the sales contract is accepted. During this process the successful bidder may not withdraw their bid at any time. Unilateral conditions asserted by any bidder will not be accepted.

The successful bidder's deposit(s) will be retained as the initial payment for the property.

CONSIDERATION OF BIDS:

The SBA reserves the right to reject any or all bids, and to waive any technical defects in bids. Property is sold with a minimum reserve price unless the property is, in explicit terms, offered without a minimum reserve price. If the minimum reserve price is not achieved, the SBA may withdraw the property at any time before the sales contract is executed.

FINANCING:

The buyer is responsible for obtaining his or her own financing arrangements as required. The SBA does not provide financing for the purchase of any property offered under these Terms and Conditions. Bidders are strongly urged to investigate and secure financing arrangements, if required, prior to participating in an online auction. Failure to obtain financing during the closing process does not relieve the buyer of his/her legal responsibility and obligation for completion of the contract. Failure to comply with all provisions of the sales contract regarding closing may result in termination of the contract because of buyer's default and may result in the forfeiture of any earnest/deposit funds.

CLOSING - TENDER OF PAYMENT AND DELIVERY OF INSTRUMENT:

The successful bidder has twenty-four (24) hours following the close of the auction to sign a Purchase Agreement, a draft of which will be posted on the Bid4Assets.com Web site. Upon the close of the auction, the successful Bidder has Thirty (30) calendar days to complete the transaction by certified check to the Small Business Administration. Failure to sign the Purchase Agreement may result in the SBA, in its sole discretion, contacting and selling the property to the next highest bidder. Likewise, buyer's failure to close within the time period indicated may, in SBA's sole discretion, result in the termination of the Purchase Agreement. The Small Business Administration then has the option to sell to the next highest Bidder.

Payment must be made by certified check payable to the Small Business Administration. Personal or business checks, bank letters, letters of credit or any check made payable to the bidder's name will not be accepted.

The buyer shall pay all applicable closing costs and fees including, but not limited to, transfer taxes, documentary stamps, recording fees, escrow fees, title insurance (if desired required by Buyer). Upon satisfactory tender and completion of all requirements by the buyer, the SBA shall execute the appropriate instrument(s) to convey title, and the Bidder may take possession of the property.

DEED:

Title will be transferred, without warranty, via Grant Deed (or appropriate equivalent, as determined by SBA). Title Insurance is available at Buyer's expense. It is buyer's responsibility to verify the condition of title is satisfactory prior to bidding.

DEFAULTS:

Buyer's failure to make full payment and/or comply with the time frames or other requirements specified on the website, these terms and conditions or elsewhere in the property sale documentation, shall be deemed a default and may, in SBA's sole discretion, result in cancellation of the contract and forfeiture of any rights, title, and interest the Buyer may have acquired. In that case, title of the property will remain with the SBA and will result in the forfeiture of the deposit. If the default occurs because of failure to make the required deposit, the buyer shall be liable to the SBA for liquidated damages in the amount of that deposit.