

TERMS & CONDITIONS

INFORMATION

The Auction Information Office is open Monday through Friday from 9:00 A.M. to 5:00 P.M.

Address: 9821 Katy Freeway, #1025
Houston, TX 77024-1210

Telephone: (713)722-1250

Outside Houston: 1-800-354-2061

Fax: (713)722-1260

World Wide Web: <http://www.clay-co.com>

OPEN HOUSE INSPECTION HOURS

The improved properties will be open for inspection as noted in the individual property listings.

BIDDER PACKAGES

An information package (as amended or supplemented) for the Property to be sold at the Auction may be obtained by the prospective bidder. A Bidder's Package may contain the following types of information regarding such property: (a) Survey, Site Plans and/or Tract Maps (b) Property Tax Information (c) Preliminary Title Commitment, as available (d) Sample Purchase and Sale Agreement.

These packages are not designed to replace the bidder's own due diligence efforts with respect to Auction Properties.

AUCTION REGISTRATION

Registration is necessary to be eligible to bid. Registration is available at www.clay-co.com or one hour prior to each Auction. A certified or cashier's check in the amount of **\$10,000** must be presented on Auction Day in order to complete the bidder registration process. Checks should be made payable to the **Clay & Company**. Only successful bidders will be required to surrender money at the Auction.

ABSOLUTE OR RESERVE SALE

ABSOLUTE: Those certain listed properties which will be sold to the highest bidder regardless of price.

RESERVE: Those certain listed properties which will be sold to the highest bidder subject to the high bid reaching the stated reserve price. Further, those certain listed properties wherein there is no disclosed reserve and the high bid price is subject to the Seller's acceptance.

SUCCESSFUL BIDDER REQUIREMENTS

The successful high bidder on each property will be required to sign an Earnest Money Contract immediately upon conclusion of the bidding verifying the amount bid and the property purchased. The successful high bidder will be escorted to the contract signing

room where he/she will endorse a certified or cashier's check to the seller or "Title Company" in the amount specified in the Auction catalog. This earnest money must be increased by cashier's check or personal check to ten percent (10%) of the purchase price unless otherwise stated. Each sale will close as specified in the Purchase and Sale Agreement, no more than 30 days after the auction date, at which time the balance of the purchase price is due. Please see each specific Purchase and Sale Agreement.

AUCTION DAY DEPOSIT (\$10,000)

Each registered bidder will be required to have a \$10,000 cashier's check or money order to complete registration and be able to bid. Check should be made payable to **Clay & Company**.

OCCUPIED PROPERTIES

Some of the properties in the auction might currently be occupied and may continue to be occupied at the close of the sale. Those sales will close subject to such tenancies. Every reasonable effort will be made to make the occupied properties available for inspection prior to the auction. However, no sale will be contingent upon inspection of the properties after the auction.

AUCTION OFFERING

Properties are sold "As Is, Where Is" with all faults, with no warranties or representations whatsoever, expressed or implied, including, without limitations, as to conditions, fitness for any particular purpose or merchantability, compliance with governmental laws, ordinances or regulations.

BUYER'S PREMIUM

A buyer's premium of 4% of the purchase price of each Property shall be paid to Clay & Company by the Buyer in cash at the closing of the transaction.

AUCTION PROCEDURE

The information contained in this catalog and all related materials are subject to the terms and conditions of the specific Purchase and Sale Agreement and the terms of sale as specifically described in the Bidder Information Packet. These properties are being sold on an "As Is, Where Is" basis with all faults. Your complete inspections of each property is recommended. Announcements made by the Auctioneer on Auction Day will take precedence over all printed materials. Conduct of the Auction and increments of bidding are at the discretion of the Auctioneer. Seller and Auctioneer reserve the right to refuse admittance to or expel anyone from the Auction activities, creating a nuisance, canvassing, soliciting or other reasons deemed necessary by the Auctioneer. Auction Information Offices and all licenses employed by or associated with Auction Information Offices represent the Seller in the sale of these properties.

BROKER PARTICIPATION INVITED

A 3% commission will be paid to the licensed real estate broker, whose prospect pays and closes on the property. To qualify for the commission, the real estate broker must:

- (a) Be a licensed real estate broker who (i) is not prohibited by law from being paid such commission, and (ii) who will abide by the National Association of Realtors Code of Ethics.
- (b) First register the prospect by mail, fax, or at www.clay-co.com, on a Broker Registration Form supplied by the Auctioneer (see www.clay-co.com), or TYPED on brokerage company stationary with substantially the same format as the Broker Registration Form, including original signatures of both the broker and the prospect. Such Broker Registrations must be RECEIVED by HOUSTON AUCTION INFORMATION OFFICE, on or before Monday, November 9, 2009 at 5:00 P.M. Fax Number: (713)722-1260. Neither Seller nor Auctioneer is responsible for delay or failure to meet the deadline if Broker relies on this or any other method of delivery.
- (c) Attend the Auction with the prospect(s).

A complete registration file on all prospects will be maintained. No broker will be recognized for a prospect who has been previously contacted by the Seller or its representatives. Commissions will be paid upon closing by the Seller. No commission will be paid by the Seller if the Broker or member of his/her family is participating in the purchase of the property as a principal and an affidavit will be required that the agent is serving only as a broker and not as a principal. There can be NO EXCEPTIONS to this procedure.

IF A COOPERATING BROKER HAS NOT MET ALL OF THE REQUIREMENTS, NO COMMISSION WILL BE PAID TO THE COOPERATING BROKER, EVEN IF THEIR PROSPECT PURCHASES A PROPERTY.

DISCLAIMER

The information contained in this catalog is subject to inspection and verification by all parties. No liability for its accuracy, errors or omissions is assumed by the Seller or its agents. ALL ACREAGE, SQUARE FOOTAGE, DIMENSIONS, AND PROPERTY DATA ARE APPROXIMATE.

Any of the properties listed may be withdrawn or modified without notice at anytime.

Announcements made at the Auction take precedence over all other advertising, promotional/publicity statements, Bidder's Packages (as amended and supplemented) or other materials.