

**NATIONAL REAL ESTATE AUCTION CORPORATION
AUCTION AGREEMENT
(ARIZONA)**

THIS CONTRACT DEFINES YOUR RIGHTS AND OBLIGATIONS RELATED TO ENTERING YOUR PROPERTY IN AN AUCTION CONDUCTED BY NATIONAL REAL ESTATE AUCTION CORPORATION AND PREMIER REAL ESTATE GROUP, INC.

YOU ARE URGED TO CONSULT AN ATTORNEY WHO CAN EXPLAIN YOUR RIGHTS AND OBLIGATIONS TO YOU BEFORE YOU SIGN THIS AGREEMENT.

This agreement ("Agreement") is made and entered into on the ____ day of _____, 2008 by and between _____, ("Seller"), National Real Estate Auction Corporation ("National") and Premier Real Estate Group, Inc. ("Premier"), for the property described below (the "Property") in consideration of, and upon, the terms and conditions of this Agreement.

1. Background

SELLER INFORMATION

In What Name or Names is Title to the Property Held? _____			
<input type="checkbox"/> Check here if title to the property is held by a corporation, partnership, or LLC			
Marital Status of Seller <input type="checkbox"/> Unmarried <input type="checkbox"/> Married <input type="checkbox"/> Not Applicable			
If Married, How is title Held?	<input type="checkbox"/> Community Property [Seller's spouse must sign]	<input type="checkbox"/> Joint Tenancy [co-owner must sign]	<input type="checkbox"/> Sole and Separate Property [only Seller must sign]
Name (First Middle Last)			
Home Phone		Mobile Phone	
Fax		Email	
Mailing Address:			
City		State	Zip
Name of Spouse or Co-Owner (First Middle Last)			
Home Phone		Mobile Phone	
Fax		Email	
Mailing Address:			
City		State	Zip



PROPERTY INFORMATION

Type (Circle One)	Condo	House	Townhouse	Vacant Land	Multi-Unit	Commercial
Property Address						
City				State AZ	Zip	
List Price \$			Reserve Price \$			
<input type="checkbox"/> Check here if Property is subject to a lease or will be subject to a lease at the time of Auction or the close of escrow.						
Lessee		Duration			Monthly Rent \$	

LISTING AGENT INFORMATION

Listing Agent Name	
Cell Phone	Fax
Office Phone	Email
Broker	Office Address

2. Seller’s Representations and Warranties:

- A. All of the information provided in this Agreement is true and accurate in all material respects.
- B. Seller is represented by an Arizona licensed real estate broker as identified in the Listing Agent Information section of this Agreement.
- C. Seller consists of the persons listed in the Seller Information section of this Agreement.
- D. Seller is the record owner of the Property.
- E. Seller has the right to convey fee simple title to the Property free and clear of all liens, encumbrances and claims.
- F. Neither National nor Premier has given an appraisal or an opinion of value of the Property, unless Premier has been retained by Seller under a separate agreement to act as Seller’s broker in the sale of the Property.
- G. Seller is not a “foreign person” as that term is defined in Internal Revenue Code § 1445.
- H. There is no litigation, investigation or proceeding pending or threatened against Seller or the Property which would impair or adversely affect Seller’s ability to perform its obligations under this Agreement.
- I. There are no existing, pending or anticipated condemnation or similar proceedings against or involving the Property.
- J. There are no concealed physical defects or environmental problems related to the Property as defined by State and Federal laws.



3. **Addendum to Listing Agreement.** Seller, Seller's broker or Listing Agent on behalf of Seller's broker, and Premier must execute an Addendum to the Exclusive Right to Sell/Rent ("Addendum to the Listing Agreement") in order to enter the Property in the Auction. Failure to fully execute the Addendum to the Listing Agreement will not result in any modification of the rights or obligations of Seller, Premier or National under this Agreement.
4. **Auction Fee.** Upon execution of this agreement, Seller agrees to pay \$2995 to National in exchange for entry into the Auction and related advertising services (the "Auction Fee"). The Auction Fee is non-refundable and does not guarantee that the Property will be sold at the Auction.
5. **Relationship between Seller, Premier and National.** Seller understands that this Agreement is a separate contract between Seller, Premier and National. This Agreement does not modify any other agreements that Seller has entered into regarding the property with any real estate broker or Listing Agent.
 - A. **National's Role.** National is an auction company that undertakes to promote real estate Auctions. National conducts real estate auctions in Arizona in conjunction with Premier, which is an Arizona licensed real estate broker that oversees the conduct of the Auctions. National will plan and promote the Auction including marketing and advertising the Auction, preparing the Auction venue, hiring auctioneers and developing Auction materials.
 - B. **Premier's Role.** Premier is an Arizona licensed real estate broker. Premier does not represent Seller or any buyer unless otherwise agreed to in a separate agreement. Premier undertakes the real estate activities related to the Auction including reviewing bidders for the financing contingency. Premier will use commercially reasonable efforts to determine whether a bidder will likely be able to consummate a transaction. If so, then a financing contingency may be included in the Purchase Agreement.
 - C. **Premier May Represent Both Seller and Buyer (Limited Representation).** In certain cases, Premier may directly or indirectly represent a buyer and Seller under separate agreements with each. Premier, as a broker, can legally represent both a buyer and Seller in a transaction, but only with the knowledge and informed consent of both Seller and the buyer. In these situations, Premier will seek authorization from both Seller and the buyer under a separate agreement.
6. **Auction Mechanics.**
 - A. **Opening Bid Price.** The opening bid price is 50% of the Asking Price as indicated in the Property Information section of this Agreement.
 - B. **Outcome of Auction not Foreseeable.** Seller acknowledges that neither National nor Premier can accurately predict the outcome of an Auction, including, but not limited to statistics relating to the Auction, bidding activity, the number of potential bidders or attendees, qualification of bidders to consummate a transaction, prices that the Property may bring, or the likelihood of sale of the Property at Auction. Seller further acknowledges that National and Premier and their agents and salespeople have not made any representations, guarantees, assurances, or predictions for past or present auctions as to the actual sales price at the Auction or the likelihood that the Property will receive bids or receive a bid in excess of the Reserve Price at the Auction.
 - C. **Date of Auction Subject to Change.** Seller acknowledges that the date of the Auction may be changed in National's discretion. National reserves the right to change the date of the auction from the date listed in section 7.A(4) below. If the changed date is within 60 days of the originally scheduled date, then all of the terms and conditions of this Agreement shall apply to the new date of the Auction. If the new date of the Auction is more than 60 days later, then seller shall have the right to cancel this Agreement within 10 days of receiving notice of the



change of the date. Upon cancellation, National, Premier, and Seller will be released from all obligations under this Agreement and the Auction Fee will be refunded to Seller. If the date of the Auction is changed and the Property sells before the changed Auction date, the sale will be treated as a sale prior to Auction.

7. Powers and Duties of National.

- A. **Provide Auction Advertising.** In exchange for the Auction Fee, National will make commercially reasonable efforts to perform the following services:
- (1) Make "Auction" signs available to the Listing Agent and Seller;
 - (2) Include the selling Property profile, consisting of a Property description and photographs provided by the Seller, on an Auction-related website. However, if the Property is entered in an Auction less than 5 calendar days prior to the Auction, it may not be possible to include a property profile in the Auction materials and the Auction website;
 - (3) Undertake commercially reasonable advertising and public relations activities calculated to draw an audience of qualified bidders to the Auction;
 - (4) Enter the Property in the Auction tentatively scheduled to be held on November 23rd, 2008;
 - (5) Include a Property profile in the Auction materials; and,
 - (6) Solicit and accept bids on the Property at the Auction.
- B. **Authorization to Advertise.** Seller authorizes National to advertise the Property for Auction through such media ads, print ads, websites, open houses, and any other form of advertising as National deems reasonably appropriate. National is not obligated to advertise the Property in all such formats.
- C. **Liability Limited for Claims Related to Advertising.** The liability of National and Premier for their respective errors and omissions related to advertising is limited to amounts paid by Seller for this specific auction. No consequential or incidental damages will be allowed. Seller and Seller's broker shall indemnify and hold harmless National and Premier for, from, and against all errors and omissions of advertising media employed to promote the Auction and the Property.
- D. **Bids on Behalf of Seller.** Seller authorizes the Auctioneer to bid up to the Reserve Price on behalf of Seller in order to maintain the flow and integrity of the Auction. National, Premier and the Auctioneer are not obligated to purchase the Property under any circumstances. The auctioneer may open bidding on any Property by placing a bid on behalf of the Seller and may further bid on behalf of the Seller, up to the amount of the Reserve Price, by placing successive or consecutive bids for a Property, or by placing bids in response to other bidders. However, the auctioneer will not make a bid greater than or equal to the Reserve Price. National and the auctioneer are not obligated to purchase the Property under any circumstances.
- E. **Use of Outside Auctioneer.** National may hire a third-party to conduct the Auction on behalf of National.

8. Obligations of Seller

- A. **Access to Property.** Seller agrees to make the Property accessible and available for showings and inspections for at least the 7 calendar days immediately prior to the Auction.
- B. **Seller will Pay Off any Liens.** Prior to or at the close of escrow, Seller will pay off all mortgages, liens, claims, or charges affecting the Property.



- C. **Termination of Leases.** Seller will obtain the termination of any leases of the Property prior to the close of escrow, unless otherwise agreed in writing by Premier.
- D. **Seller will Accept Winning Bid.** A “Winning Bid” is the highest bid accepted by the Auctioneer for the Property that is greater than or equal to the Reserve Price established by Seller. The party making the Winning Bid is the “Winning Bidder”. Seller agrees to accept the Winning Bid, if there is such a bid. If the highest bid is not equal to or greater than the Reserve Price, there is no Winning Bid and no bidder is obligated to purchase the property. If there is no Winning Bid, then Seller is under no obligation to accept any bid.
- E. **Form of Residential Purchase Agreement.** If the Property is residential property and there is a Winning Bid at Auction, then the Winning Bidder and Seller shall execute a Residential Real Estate Purchase Contract (“Purchase Agreement”) substantially similar to the form attached as Exhibit A to this Agreement. The Purchase Agreement shall not provide an inspection contingency. The Purchase Agreement may contain a financing contingency if Premier reasonably determines that the bidder will likely be able to consummate a transaction. Any financing contingency shall be the standard financing contingency as defined in sections 2a and 2b of the Purchase Agreement.
- F. **Seller to Notify Escrow Agent of this Agreement.** If the Property becomes subject to a Purchase Agreement between the effective date of this Agreement and 15 days after the date of the Auction, then: (a) Seller shall promptly notify Seller’s escrow agent of this Agreement; (b) the commission and other sums due Premier shall be paid by the escrow agent at the close of escrow; and, (c) any commission and other sums due Premier shall be reflected on the settlement statement.
- G. **Seller to Notify Premier of Escrow.** If the Property becomes subject to a Purchase Agreement between the effective date of this Agreement and 15 days after the date of the Auction, then Seller agrees to notify Premier of the name, address, and contact information of the escrow agent and escrow number for such sale.
- H. **Sale Prior to Auction.** If Premier is not the Listing Agent, and the Property becomes subject to a Purchase Agreement prior to the Auction, then Seller shall pay Premier, at the close of escrow, an amount equal to 1% of the total sale’s price. This commission shall be in addition to any commissions due Seller’s broker.
- I. **Sale Purchase Agreement Prior to Auction.** If the Property becomes subject to a Purchase Agreement prior to the date of the Auction, then Seller shall promptly notify National of that Purchase Agreement prior to the Auction. Seller will be liable for all damages resulting from failure to notify National that the Property is subject to a Purchase Agreement including but not limited to damages incurred by a Winning Bidder at the Auction.
- J. **Sale After Auction.** If Premier is not the Listing Agent, and the Property becomes subject to a Purchase Agreement within 15 days after the Auction, then Seller shall pay Premier, at the close of escrow, an amount equal to 1% of the total sale’s price. This commission shall be in addition to any commissions due Seller’s broker.
- K. **Failure to Complete.** If consummation of a sale is prevented by default of Seller, or with consent of Seller, then the entire commission shall be paid by Seller to Seller’s broker and Premier in accordance with the terms of the Addendum to the Listing Agreement.
- L. **Documentation Required.** Within 10 days of the date of this Agreement, but in any event at least 5 calendar days prior to the date of the Auction, Seller will provide Premier with the following:



- (1) Copies of any leases on the Property;
- (2) Names and addresses of any parties in possession of the Property;
- (3) Copies of any deeds of trust, mortgages, judgments and other documents affecting title to the Property;
- (4) Any prior title insurance policies, surveys, or inspection reports;
- (5) A Residential Seller's Property Disclosure Statement completed and signed by Seller; and
- (6) Any additional documents reasonably requested by National or Premier.

9. Powers and Obligations of Premier

- A. **Supervision of Auction.** Premier will supervise the conduct of the Auction and be the final authority in all matters related to the conduct of the Auction.
- B. **Buyer's Premium.** The "Buyer's Premium" is a commission that is paid by the Winning Bidder to Premier at the close of escrow if the Property becomes subject to a Purchase Agreement between Seller and the Winning Bidder. The Buyer's Premium shall be 10% of the Winning Bid. The Buyer's Premium shall be distributed between the Seller's broker, the Winning Bidder's broker, and Premier as agreed to by them. The Buyer's Premium will be added to the Winning Bid and included in the contract sale's price in the Purchase Agreement. The Buyer's Premium will be listed on the settlement statement as payable to Premier, Seller's broker, and the Winning Bidder's broker.
- C. **Commission.** If Seller fails to pay Premier commissions and other sums due Premier at the close of escrow, Seller understands that under the terms of the Addendum to the Listing Agreement, Seller and Seller's broker will be jointly and severally liable for the commissions, fees, and other costs due Premier. Premier may seek payment of its commissions and other sums from Seller and/or Seller's broker.
- D. **Responsibility for Negotiations.** If there is a Winning Bidder, Premier will work with Seller and Seller's broker or Listing Agent, the Winning Bidder and the Winning Bidder's broker or agent to facilitate the completion of a Purchase Agreement between Seller and the Winning Bidder. If there is not a Winning Bidder, Premier is not responsible for assisting Seller and a buyer in negotiating or entering into a Purchase Agreement, entering into escrow, or consummating the sale of the Property, unless otherwise agreed to in writing.
- E. **Approved Financing Contingency Bidders.** Premier will undertake commercially reasonable efforts to determine whether a bidder will likely be able to consummate a transaction. Bidders that Premier reasonably determines will likely be able to consummate a transaction may include a financing contingency in any Purchase Agreement resulting from the Auction.

10. Construction of this Agreement

- A. **Governing Law.** This Agreement will be governed by the laws of the State of Arizona, without regard to the conflicts of law rules of that state.
- B. **Jurisdiction.** Any actions and claims arising from or relating to this Agreement will be brought in a federal or state court in Maricopa County, Arizona.
- C. **Attorney Fees.** The prevailing party in any dispute or claim between National, Premier and Seller arising out of or relating to this Agreement shall be awarded their reasonable attorney fees and costs.



- D. **Winning Bidder as Intended Third-Party Beneficiary.** Seller agrees that the Winning Bidder is an intended third-party beneficiary of this Agreement and to the extent that the Winning Bidder is harmed by Seller's breach of this agreement, the Winning Bidder shall have the rights of a third-party beneficiary to this Agreement.
- E. **Headings are Provided for Convenience only.** The headings in this agreement are provided for convenience only and are not intended by the parties to be terms of the contract.
- F. **Severability.** If an portion of this Agreement is determined to be invalid or unenforceable, the other portions shall remain in full force and effect.
- G. **Integration.** This Agreement supersedes all previous agreements between Seller, National, and Premier regarding the Property. This Agreement also supersedes all oral negotiations and is intended by the parties as the final expression of their Agreement with respect to the Property and the Auction. If there is any conflict between the terms, conditions and provisions of this Agreement and those of any other agreement or instrument, the terms, conditions and provisions of this Agreement shall prevail.

THE UNDERSIGNED HAVE READ AND AGREE TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS AGREEMENT.

Seller

Premier

Signature

Signature

Name

Name

Date

Date

Spouse or Co-Owner

National

Signature

Signature

Name

Name

Date

Date



NATIONAL REAL ESTATE AUCTION CORPORATION
AUCTION AGREEMENT

Exhibit A - Residential Real Estate Sales Purchase Contract

