

Auction Terms and Conditions

All bidders and participants of this sale agree that they have read and fully understand these terms and agree to be bound by the terms and conditions contained herein.

General Information: *United Country AltaTerra Realty & Auction (known herein as “Auctioneer”) has a contract with the Highway Oil, Inc. to offer for sale at public auction the property known as the Best Ranch (the “Property”), consisting of 3,920.65 +/- acres. The Property will be offered in its entirety at Auction and is selling subject to an opening bid of \$495.00 per acre. There will be a five percent (5%) Buyer’s Premium added to the winning bid price to arrive at the total contract price to be paid by the Purchaser.*

Auction Location: *The live Auction will be held Tuesday, 10:00 AM, September 27, 2016 at the Holiday Inn Express / Wellington Conference Center located at 5300 Kell Blvd., Wichita Falls, Texas 76310. The hotel reservation phone number is (940) 692-8300 and the Best Ranch is located 25 miles due west.*

Property Inspection: *It is the Purchaser’s sole responsibility to: a) perform all inspections (legal, environmental, economic or otherwise) of the Property and to be satisfied as to its condition prior to bidding; b) review all property information and due diligence materials; c) independently verify any information they deem important including information available in public records; and d) inquire of public officials as to the applicability of and compliance with land use and environmental laws, zoning, building and health & safety codes and ordinances and any other local, state or federal laws and regulations.*

All information contained in the auction brochure and all promotional materials, including, but not limited to, photographs, directions, acreage, square footage, dimensions, zoning, maps used for promotion, environmental conditions, taxes, etc., was provided by or on behalf of the Seller and is believed to be correct; however, neither the Seller nor the Auctioneer makes any promise, representation, guarantee, or warranty as to the accuracy or completeness of such information. There is no obligation on the part of Seller or Auctioneer to update any information. Purchaser and Purchaser’s Broker shall be responsible for verifying all acreage and square footage amounts through public records.

Auctioneer strongly recommends that the prospective bidder personally inspect the Property prior to the Auction. In order to schedule a time to visit the Property or to perform an inspection, the Purchaser (and/or his Broker), should contact Auctioneer as soon as possible. All Property visits should be performed on or before Friday, September 23, 2016.

Bidder’s Registration:

- 1) In order to participate at the Auction, Purchaser must first register for the event. The Bidder Registration Form is available as part of the Property Information Packet or from the Auctioneer upon request. Purchaser must submit Proof of Financial Ability to purchase the Property consisting of pre-qualification for financing or ability to pay cash in the amount of not less than two million dollars. The Bidder Registration Form and Proof of Financial Ability should be completed and submitted to Auctioneer by Friday, September 23, 2016. Auctioneer will notify the Purchaser of their bid status within 24 hours after receipt of the abovementioned information.*

- 2) Upon being declared the successful high-bidder, the Purchaser will be required to pay a Deposit in the amount equal to ten percent (10%) of the total contract price. The Deposit; a) shall be in U.S. Funds; b) paid by a wire transfer or cashier's check; and c) shall be held in a non-interest bearing account by the Closing Agent pending completion of necessary closing procedures, after which the Purchaser shall be granted possession of the Property subject to any matters contained in the Title Commitment and the Auction Sales Contract.
- 3) The Purchaser shall immediately pay the required Deposit to the Closing Agent on Auction Day and shall execute and deliver a completed Auction Sales Contract together with all related Addenda for the Property at the Auction. The fully executed Auction Sales Contract 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 the Terms and Conditions of such Auction Sales Contract; the Terms and Conditions of the Auction Sales Contract shall prevail. **NO CHANGES TO THE TERMS AND CONDITIONS OF THE SALES CONTRACT WILL BE PERMITTED. PURCHASER WILL BE REQUIRED TO ENTER INTO THE SALES CONTRACT "AS-IS" ON AUCTION DATE.**
- 4) Any person bidding on behalf of another person or entity must have a valid, legally enforceable, unexpired, recordable Power of Attorney approved by Seller prior to the Auction. If a Purchaser is bidding on behalf of a corporation, the bidder shall be individually bound until the bidder presents a corporate resolution prior to closing.
- 5) If for any reason the Purchaser fails or refuses to deposit the required funds or to execute the Auction Sales Contract immediately after being confirmed the winning bidder, the Seller reserves the right to declare the bidder's rights forfeited and may re-sell the Property.

Closing: Closing will be scheduled on or before **October 31, 2016**.

Buyer's Broker Guidelines: Upon the Closing of the transaction contemplated herein, Auctioneer shall be paid a commission pursuant to a separate written agreement between Auctioneer and Seller. If a Buyer's Broker is properly registered with the Auctioneer according to the Buyer Broker Guidelines, then at closing, the Buyer's Broker shall be paid a commission of two percent (2%) of the high bid amount as shown on the Auction Sales Contract. If for any reason whatsoever (including the default of any party hereto), the Closing hereunder does not occur, then no commission shall be due and payable to Buyer's Broker. To qualify for a commission, the buyer's broker must register the prospect, using the Buyer Broker Registration Form provided by the Auctioneer. There will be no exceptions to the guidelines and no oral registrations will be accepted. No broker will be recognized that is participating as a principal, buyer or partner in the purchase.

Disclaimer:

- 1) Personal on-site inspection of the Property is recommended and the 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 and Auctioneer 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 its value, condition, acreage, square footage, suitability, merchantability, marketability, operability, zoning or subdivision regulations, mineral rights, wind rights, water rights, environmental condition 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 of the Property.

- 2) Neither the Seller, its attorneys, any broker, nor the Auctioneer, 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 acreage, square footage, zoning, and environmental condition to conform to any specific standard or expectation, or to any third party documents or information.*

Agency Disclosure: *The Auctioneer is acting exclusively as the agent for Seller in this transaction and is to be paid a fee by Seller pursuant to a separate written agreement between Seller and Auctioneer. The Auctioneer is not acting as agent in this transaction for the buyer. Any third party broker is not a subagent of Auctioneer.*

Equal Opportunity: *All bidding is open to the public. The Property is available to qualified purchasers without regard to a prospective Purchaser's race, color, national origin, religion, sex, familial status, or physical handicap.*

Miscellaneous:

- 1) 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. Seller reserves the right to deny any person admittance to the Auction or expel anyone from the Auction who attempts to disrupt the Auction.*
- 2) Property in whole or part is subject to sale prior to auction day.*
- 3) Bidders are given notice that the Auction may be video/audio recorded and photographed.*
- 4) Auctioneer reserves the right to accept or reject offsite bidding via the internet, by telephone or by written bid.*
- 5) All announcements made Auction Day supersede any prior oral or written statements. The Seller reserves the right to announce additional Terms and Conditions of the sale prior to or during the course of the Auction.*
- 6) Matthew C. Armstrong (TX#17082) and Shawn Terrel (TX#17087) are the Auctioneers of Record and United Country AltaTerra Realty & Auction is the Broker of Record (TX#9000813).*

AUCTIONEERS FOR THIS AUCTION ARE SELLING AGENTS ONLY AND MAKE NO REPRESENTATIONS CONCERNING THE PROPERTY WHATSOEVER.

Accepted and Agreed by:

Bidder Signature

Date

Company

Title