

PREMIERE ESTATES

GLOBAL • BESPOKE • MARKETING

529 South Woods View Circle

St. George Utah

AUCTION DATE

July 9th, 2020

SEALED BID AUCTION AGREEMENT

Please complete this Sealed Bid Form & return to
Premiere Estates Auction Company prior to or by the bid deadline:

July 9th, 2020 by 12PM MT

Mail to: 438 Pacific Coast Highway, Hermosa Beach, CA 90254.

You may also email to: RDoherty@PremiereEstates.com

For more details please call

Premiere Estates Auction Company at 310-698-3625 x 104

BID AMOUNT \$ _____

4.0% Buyer's Premium \$ _____

Total Purchase Price \$ _____

REGISTRATION DEPOSIT \$10,000 made payable to Southern Utah
Title

10% DEPOSIT *To be provided upon
acceptance offer – including registration deposit* \$ _____

Registration Deposit provided to
Premiere Estates _____ Cashier's Check _____ Wire Transfer

BUYERS AGENT NAME & LICENSE #

Agent Signature

Buyer Information:

DATE _____

BUYER NAME _____

BUYER SIGNATURE _____

BUYER ADDRESS _____

BUYER PHONE # _____

BUYER EMAIL ADDRESS _____

The following sets forth the Sealed Bid Terms and Conditions (“Terms and Conditions”) which govern the auction (“Auction”) conducted by Premiere Estates Auction Company (“PEAC”) and William Hobson, agent for Keller Williams St. George UT (“Broker”) with respect to real property (“Property”) being sold by Seller. The prospective bidders of the Property participating in this auction (“Bidders”) agree to register for such auction and to be bound by the Terms and Conditions. The successful bidder (“Winning Bidder” or “Buyer”) will be required to execute the Purchase Contract in order to complete the transaction. As used herein, “Auction Date” refers to the July 9, 2020 deadline for bids.

The Auction will be conducted by PEAC and Broker on behalf of Seller.

1. HOW TO BID:

PEAC WorldBid Auction Platform:

Overview of Sales Process:

This is a Sealed Bid auction. The submission of your binding, sealed bid is due any time prior to or on July 9th, 2020 by Noon MT.

Bids will only be accepted from Bidders who have delivered to PEAC the items listed below.

(1) A fully completed and signed copy of the Terms and Conditions (this document);

(2) A cashier’s check in the amount of \$10,000 (“Registration Deposit”) drawn on a US-based bank made payable to Southern Utah Title (“Escrow Agent” and “Escrow Holder”). You may also wire your \$10,000 registration deposit. Please call Premiere Estates for wiring instructions.

Upon Seller’s acceptance of the offer, the Winning Bidder will be required to sign the Purchase Contract and Escrow Instructions and other documentation concerning the Property.

The Buyer-executed Purchase Contract must be received by PEAC within 4 hours of Seller’s acceptance. The Winning Bidder must wire transfer to Escrow Holder a 10% deposit within 24 hours after the offer has been accepted by the Seller.

The Purchase Contract further provides that all deposits made by the Buyer, including the Registration Deposit, the Initial Deposit, and, if applicable, any extension fee, shall be released by the Escrow Holder in accordance with the Purchase Contract. The Buyer will be required to pay Buyer’s share of closing costs as provided in the Purchase Contract. Possession of the Property will be given to Buyer one (1) business day after the closing date.

PEAC will return to the unsuccessful Bidders their Registration Deposits within 48 hours after the conclusion of the Auction.

Prospective Bidders may review the Property information online at PremiereEstates.com or at the Broker’s website. PEAC encourages all bidders to inspect the Property and review the Property information including the Purchase Contract. PEAC requires all bidders to acknowledge that they have reviewed the Property information prior to the Auction. PEAC, Broker and Seller shall not be liable for the accuracy of, or errors or omissions regarding, any and all documents provided. Prospective Bidders should independently verify any information being materially relied upon in making their decision to purchase.

Seller, Broker and PEAC shall not be liable for any relief, including any claims for any form of legal or equitable relief, including without limitation any claim for damages, rescission, reformation, allowance or adjustment, based on the failure of the Property to conform to any specific standard or expectation.

PEAC, Broker and the Seller reserve the right to deny any person participation in the Auction, to postpone or cancel the Auction and to change any terms of the Auction or particular conditions of sale. The Seller reserves the right to sell the Property prior to the Auction Date.

All Property information on the PEAC website shall be deemed to be a part of the Terms and Conditions. However, only the Purchase Contract signed by Buyer and Seller shall set forth Seller's obligations to the Winning Bidder and with respect to the Property; therefore, in the event of any inconsistency between any terms of the Purchase Contract and anything contained in the Bidder Registration Form, these Terms and Conditions, any Property information on the PEAC and Broker website, or as otherwise furnished by PEAC and Broker, the terms of the Purchase Contract shall control.

2. PROPERTY TOURS AND INSPECTIONS

The Property can be shown by appointment prior to the Auction Date for prospective Bidders to view and inspect the Property. The prospective Bidder should inspect the Property prior to the Auction Date. Each prospective Bidder is also encouraged to utilize the services of its own real estate broker/agent and contractors in connection with its evaluation of the Property and the condition of the Property. In order to schedule a time to see the Property or perform an inspection, the prospective Bidder should visit the website at PremiereEstates.com, or contact Broker. Property specific documentation will be available on the PEAC website or the Broker may be contacted for such documentation. PEAC or Broker will email available documentation. Such documents should be reviewed prior to the Auction Date.

3. ACCEPTANCE OF PROPERTY AS-IS; NO RELIANCE ON INFORMATION PROVIDED BY SELLER, BROKER OR PEAC; BUYER'S INDEMINITY

The Buyer of the Property will agree that it is purchasing such Property "AS-IS, WITH ALL FAULTS" and that it is not relying upon any representations or warranties of Seller, Broker, PEAC or any other parties acting on their behalf concerning the condition of the Property and any matters related thereto. Specifically, the Purchase Contract will include terms on the foregoing issues substantially as follows:

A Winning Bidder who executes a Purchase Contract for the Property will represent and warrant therein that (1) it has had adequate time, access and opportunity to inspect the Property prior to its execution of the Purchase Contract; (2) it is not relying upon any representations by the Seller, its employees or agents concerning the Property; (3) it is aware that the condition of the Property is not known to the Seller and the Seller has not inspected it; (4) it has made all inspections it deemed necessary concerning the Property or has elected to make no inspections or only a partial inspection of the Property; (5) it has reviewed the preliminary title report for the Property and had an opportunity to review all matters identified in such report; (6) it is satisfied with the Property and the condition of all improvements thereon including their structural integrity and insurability; (7) it is aware of and has reviewed all conditions, covenants and restrictions and any homeowner association documents applicable to the Property, if any; (8) it is aware of all laws, ordinances, including zoning and building codes, and environmental conditions and restrictions applicable to the Property and its use; (9) it is aware of all hazards that may exist with respect to the Property and accepts the location of the Property and is aware of all flood zones and fire hazards relevant

to the Property and any effect they may have as to the insurability or the cost of insurance for the Property; and (10) it is acquiring the Property "AS-IS" and accepts the Property and the improvements thereon in their present condition, and that it has elected to proceed with the purchase transaction regardless of whether it has actually inspected the Property and notwithstanding any information that the Buyer may have learned about the Property and its condition.

The Seller, Broker and PEAC and all parties acting on their behalf shall not be liable to the Buyer and any other person or entity claiming rights on behalf of or based on their relationship with the Buyer, for any losses, damages, expenses, injuries or claims of any kind or character, including without limitation attorneys' fees, arising from, caused by or relating to the Property or information related to the foregoing that have been set forth, omitted or inaccurately stated by or on behalf of the Seller or on any online website display or marketing materials for the Property, including but not limited to the Property information and the information on the PEAC website, or on any multiple listing service brochures, materials or information notwithstanding the fault of Seller, Broker and/or PEAC, including, without limitation, the active or passive negligence of the Seller, Broker and/or PEAC .

The condition and inspection of the Property are not contingencies of the sale.

The Buyer will indemnify and hold the Seller, Broker and PEAC, its employees, agents, officers, directors and employees harmless from any claims, costs, liabilities and expenses arising from or pertaining to any inspections of the Property by the Buyer and anyone acting on its behalf before the Auction. The Buyer shall not damage the Property, shall repair any damage that occurs and shall keep it lien free from any actions it takes, or which are taken, on its behalf to inspect the Property. The Buyer and any of its representatives making such inspections on its behalf shall carry, and provide evidence thereof to the Seller or Seller's agent if requested, worker's compensation and public liability insurance with such limits as required by the Seller that protects the Seller from any damages to persons or property arising from such inspections.

A Buyer who executes a Purchase Contract for the Property will have no right to rescind or cancel the Purchase Contract or the Escrow for the purchase based on facts or conditions arising or discovered after execution of the Purchase Contract. The Buyer also agrees that the Seller will not be required to make any repairs or improvements to the Property.

The Buyer of the Property will agree that it is purchasing such Property "AS-IS, WITH ALL FAULTS" and that it is not relying upon any representations or warranties of the Seller, Broker, PEAC or any other parties acting on its behalf concerning the condition of the Property and any matters related thereto. Specifically, the Purchase Contract will include terms on the foregoing issues substantially as follows:

Buyer's Acceptance Of Property As-Is Regardless Of Condition.

The Buyer agrees that it is purchasing the Property as-is with all faults regardless of any matters it has discovered or failed to discover from any inspection it may have made of the Property or which have been disclosed or not disclosed to the Buyer from any source. The Buyer accepts the Property and all structures and improvements thereon as-is regardless of their condition or any latent or patent defects which may exist or subsequently arise, occur or be discovered with respect to the Property, structures or improvements. The Buyer accepts the Property with any environmental defects or hazards or conditions

that may exist, arise or be discovered with respect to the Property or the region or vicinity where the Property is located.

No Seller's Representations About Property; Further Acceptance Of Condition Of Property.

The Seller, its employees and agents have made no representations or warranties, oral or written concerning the Property, any structures or improvements thereon, and the Buyer accepts the condition thereof in all respects, including, but not limited to: the condition of the Property, the condition of any structures or improvements thereon, or their specifications such as square footage, their state of repair, the materials used in their construction, the conformity of the Property or any structures or improvements thereon to any plans or specifications or code requirements, their habitability, compliance with zoning laws, building codes, health codes, or safety codes, and their compliance with the Americans with Disabilities Act, or other applicable laws, their prior uses or potential uses, their fitness for a particular purpose or their occupancy status or any claims related thereto, the value of the Property, any income that may be earned from the Property, existing or future views from the Property, potential improvements to the Property or expected planned changes in the surrounding area, the status or nature of any public utilities or services serving or available to the Property, or the type of sewage and water systems for the Property, drainage, soil conditions or stability or landslide risks or history thereof, any risks or responsibilities regarding floods or any flood hazard zone in which the Property is located, seismic conditions or seismic risks or prior seismic events pertaining to the Property, fire hazards or prior fire events (all of the foregoing referred to hereinafter as Property conditions); and, the Buyer assumes the risk of all of the foregoing Property conditions.

4. PRELIMINARY TITLE REPORT

The Preliminary Title Report is available from the Broker. The Buyer's review and approval of the Preliminary Title Report and other matters of record during the escrow period, or matters not of record or matters which might be revealed by a survey or inspection of the Property, will not be a contingency or condition for the completion of the purchase of the Property after the Buyer's execution of the Purchase Contract.

5. AUCTION DEFINITIONS AND PROCEDURES

Bidders should be familiar with the basic procedures and terminology of the PEAC Auction process. This begins with an understanding of the relevant terms used.

Reserve Price - The Seller has the option to sell the Property at any price. The Seller of the Property has established a minimum price that it will accept for the Property. This is referred to as the Reserve Price. If the Reserve Price is not reached, the Seller is not required to sell the Property to the highest bidder (however, the Seller may choose to accept the Winning Bid). The Reserve Price is the listing price.

6. EXECUTION OF PURCHASE CONTRACT AND OPENING ESCROW

Escrow Instructions must be executed and returned to PEAC by the Buyer at the same time as the Purchase Contract is executed and returned to PEAC. The form of the Purchase Contract is on the PEAC website PremiereEstates.com, and the Buyer is expected to have reviewed and become familiar with this agreement before bidding on the Property. The Seller has two business days to review and execute the

Purchase Contract. The Purchase Contract shall govern the relationship of the Buyer and the Seller from the point of its execution by the Buyer and the Seller through the Close of Escrow for transaction.

7. PAYMENT OF BIDDER'S REGISTRATION DEPOSIT, INITIAL DEPOSIT AND BALANCE OF PURCHASE PRICE

Your Registration Deposit is due on or before July 9th no later than noon MT. If you are the Winning Bidder, your Initial Deposit must be wired to escrow within 24 hours after notification of becoming the Winning Bidder. The Initial Deposit shall be a total of ten percent (10%) of the "Total Purchase Price," comprised of the Winning Bidder's bid amount ("Winning Bid") plus the Buyer's Premium of 4.0% . The Registration Deposit shall become part of the Initial Deposit. The Buyer shall pay the balance of the Total Purchase Price as well any additional costs and/or fees at the Close of Escrow in accordance with the terms of the Purchase Contract.

8. CLOSING OF ESCROW FOR THE PURCHASE; EXTENSIONS

The escrow for the purchase transaction will be scheduled to close ("Close of Escrow") no later than thirty (30) days after the opening of escrow. In most cases, the opening of escrow will occur at the same time that the Purchase Contract is executed, unless escrow is extended or cancelled in accordance with the provisions of the Purchase Contract.

9. BUYER'S LIABILITY FOR LIQUIDATED DAMAGES

In the event that the Buyer fails to complete the Purchase Contract as required under the terms thereof then it will be required to pay the Seller liquidated damages which will be ten percent (10%) of the Total Purchase Price for the Property, being the amount of the Initial Deposit, and the parties will be deemed to be mutually released from any further obligations regarding the completion of the purchase transaction. However, the foregoing shall not limit Buyer's obligations to pay to Seller all attorneys' fees and costs of Seller to enforce the provisions of the Terms and Conditions and/or buyer's indemnity obligations under the Terms and Conditions. The retention of the Initial Deposit as liquidated damages is not intended to be a forfeiture or penalty but is intended to constitute liquidated damages to Seller.

10. VESTING

The Buyer may take title in any manner which it determines. At the time of execution of the Purchase Contract, the Buyer will designate the manner with which it intends to take title. If title is not being taken by the Buyer individually, then the Buyer shall provide to escrow those organizational and authorizing documents requested by Escrow Agent to verify the existence and authority of the entity which is taking title. The Seller will execute such deed as it determines in its sole discretion to transfer title to the Buyer at the Close of Escrow.

For purchases where the Buyer will take title other than as an individual, the documents which need to be provided at the time that escrow is opened include, but are not limited to: Articles of Incorporation, Articles of Organization for Limited Liability Companies, Certificates of Partnership for Limited or General Partnerships, and Certifications or Declarations of Trust, depending upon the particular entity taking title. The Seller is under no obligation to clear any liens or exceptions affecting title to the Property or otherwise make the title to the Property marketable or insurable. If for any reason the Seller is not able to deliver

free title subject to the exceptions permitted in the Purchase Contract, then either party may cancel the purchase transaction without any liability to the other party.

11. FINANCING

The Buyer is required to obtain its own financing. The sale is not contingent upon the Buyer obtaining such financing. If the Buyer fails to qualify for financing, and subsequently fails to close the sale by the closing date specified in the Purchase Contract, as the same may be extended, the Initial Deposit shall be retained by the Seller as liquidated damages under the Purchase Contract.

If a Buyer intends to use cash to complete its purchase transaction, the Buyer must provide satisfactory proof to both PEAC and the Seller upon the opening of escrow of its ability to produce sufficient funds to complete the transaction through payment of cash by the close of escrow. This may be established through bank statements or statements showing other financial deposits.

12. BROKER PARTICIPATION

The Seller will pay a two percent (2.0%) commission at closing, based on the Winning Bid, to the qualified Real Estate broker/agent representing Winning Bidder who properly registered their client for the Auction and participated in the Auction with their client. Each broker/agent must register by completing and executing the Broker/Agent Registration form provided by PEAC; available at PremiereEstates.com. Each broker/agent's client shall also sign the Broker/Agent Registration form.

In order to receive the full 2.0% commission, the Broker Registration Form must be submitted before July 9, 2020, Noon MT. Participating brokers/agents are responsible for inspecting the Property being purchased by their client in advance of the Auction Date, and must accompany their client through the entire process of executing the Purchase Contract and opening escrow. If the participating broker/agent does not sign the Purchase Contract then it shall not be entitled to a commission from the Seller.

13. AGENCY DISCLOSURE

PEAC discloses that it represents the Seller only as the auction company as more particularly set forth on the disclosure form or format required by the state in which the Auction is being conducted. PEAC is not acting as an agent for the Buyer or as a dual agent for the Seller.

14. ADDITIONAL AUCTION INFORMATION

The Seller will represent that it is in compliance with the Federal Foreign Investment in Real Property Act, commonly known as FIRPTA, that it is exempt from withholding as it is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate; and, it will provide an affidavit to that effect prior to the Close of Escrow.

All persons participating in the Auction are consenting to the dissemination of any information concerning or pertaining to Property, bids, purchases or other activities or functions.

In the unlikely event that the Seller fails to convey title to Buyer in accordance with the Purchase Contract entered into with respect to the Property, PEAC will not be held responsible or liable in any way. As more specifically discussed above, prospective Bidders are not considered eligible Bidders in the Auction until PEAC receives these Terms and Conditions and Registration Deposit.

The Seller may postpone or cancel the Auction or withdraw the Property at any time or revise the terms of the Auction or conditions of a sale prior to the Auction Date, in its sole discretion.

15. GOVERNING LAW AND JURISDICTION

These Terms and Conditions are delivered to PEAC at its offices in the State of California and shall be governed by and construed in accordance with the laws of the State of California. Any dispute arising out of or relating to the interpretation and enforcement of these Terms and Conditions shall be resolved exclusively by the United States District Court in the District of Nevada hearing the lawsuit entitled Federal Trade Commission v. Jeremy Johnson, et al., Case No. 2:10-CV-02203-MMD-GWF, which appointed Seller as receiver and which authorized Seller to sell the Property.

16. BIDDER ACKNOWLEDGMENT

I/We HAVE RECEIVED, READ, UNDERSTOOD AND ACCEPTED this Sealed Bid Terms and Conditions and I/we have reviewed all documents for the Property for which I/we bid, including disclosures and the Purchase Contract.

_____ INITIAL _____ INITIAL

I/We UNDERSTAND AND AGREE that this property is being sold "As Is" and without any warranties, express or implied, and that it is my/our sole responsibility to inspect the Property and any applicable conditions prior to the Auction Date.

_____ INITIAL _____ INITIAL

I/We HAVE AUTHORIZED my/our lender to disclose my/our pre-qualification status to the Seller, its Agents and/or Assigns.

_____ INITIAL _____ INITIAL

I/We HAVE DELIVERED to escrow a Registration Deposit in the amount of \$10,000, payable to Southern Utah Title and sent to Premiere Estates Auction Company.

_____ INITIAL _____ INITIAL

Bidder's signature _____

Date _____

Co-Bidder's signature _____

Date _____

PEAC signature _____

Date _____

For office use only:

Date received _____ Pre-Qual _____

Cashier's Check _____