

Terms and Conditions



What you should know about buying a residential unit at the John Ross Auction.

REGISTER TO ATTEND

Registration is required to be eligible to attend and bid on auction day. To register, you must complete the Auction Registration Form either in the Auction Brochure or online. Bidders should submit their Auction Registration Form to the Auction Information Office onsite prior to **Thursday, April 8, 2010, at 6 PM**. Bidders may deliver the Auction Registration Form in person, mail or fax to 503.227.3381. You may also take your registration form to the "How to Buy" Seminar.

Potential bidders are solely responsible for confirming the delivery to and timely receipt of their completed and signed registration form by the Auction Information Office. A bidder's failure to timely register with the Auction Information Office may result in non-recognition of the bidder at the auction. *If you register on auction day, you will be limited to the purchase of just one residential unit.*

RESIDENTIAL UNIT INSPECTION AND SALE DOCUMENTS REVIEW

Prospective buyers should view all residential units prior to the auction and make a thorough inspection of the residential unit on which they are interested in bidding. It is the responsibility of all prospective buyers to inspect the residential units prior to the auction and satisfy themselves as to their physical condition. There will be a customer service walk-through only for inspection of any items currently under warranty.

The purchase and sale documents are available at the Auction Information Office for review. A partial list of documents includes: (a) Unit Sales Agreement John Ross Condominiums; (b) Title Report or Commitment; (c) Condominium Disclosure Statement; (d) Declaration Submitting John Ross Condominiums to Condominium Ownership; and (e) Other Property Owners Association Documents.

HOMEOWNERS ASSOCIATION

Purchasers will become members of the John Ross Condominiums Owners Association and are assessed a monthly fee based on floor plan and square footage. Please review Association Documents and complete details at the Auction Information Office.

DEPOSIT

To participate and bid on auction day, all approved and registered bidders must present a separate **cashier's check in the amount of \$5,000** for each residential unit they have been approved to purchase. For successful bidders, the cashier's check will be used as a portion of the 3% deposit for purchasers of one residential unit or a 5% deposit on each residential unit, if purchasing more than one residential unit. Cashier's checks must be made payable to **Ticor Title Insurance**. The balance of your 3% or 5% deposit should be in the form of a personal check. Please bring your personal checkbook to the auction.

AUCTION DAY PROCEDURES

Check in at registration and receive your bidder package, which includes: auction day announcements, information on the residential units being auctioned, the order of the residential units being auctioned and your bidder number. You will be required to show proof of your cashier's check and personal check; however, you will retain your checks until you are a successful bidder.

If you are a successful bidder at the auction, an auction escort will request that you sign a Bid Confirmation Sheet acknowledging the final recognized bid and escort you to the contract room where you will execute the purchase documents and receive a receipt for your 3% or 5% deposit. Your cashier's check will be endorsed to **Ticor Title Insurance**. The balance of your deposit will be by personal check.



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Approved purchasers of multiple units, who wish to remain in the auction, will be required to endorse and deposit a separate \$5,000 cashier's check with the auction escort **after each successful purchase.** Purchasers of multiple residential units may remain in the auction; however, they must complete the purchase documents for all purchases immediately after completion of their final purchase.

SELLER ARRANGED FINANCING *

The seller has arranged excellent loan programs through Bank of America Home Loans and MetLife Home Loans. All bidders, including those using third party financing, are required to be prequalified by the seller's preferred lender. For buyers who apply for financing provided by the preferred lender, the sale will be contingent upon the buyer's ability to obtain financing per the terms outlined on the Financing Addendum. If the buyer is unable to obtain loan approval on terms satisfactory to Buyer or to satisfy Seller of Buyer's ability to pay within seven (7) business days after the date the Unit Sale Agreement has been fully signed by both parties, either party may elect to terminate the Unit Sales Agreement per the terms outlined on the Financing Addendum and within the seven (7) business day period, and his or her Good Faith/Earnest Money Deposit will be returned, less any

escrow/cancellation fee. Neither the seller nor the auctioneer makes any representation or warranty that the prospective buyer of a residential unit will qualify for purchase financing from the seller-approved lender and/or third party financing. Financing is subject to Buyer's credit approval and completion of all loan documents and property appraisal.

A Bank of America Home Loans or MetLife Home Loans representative will be available daily at the John Ross Auction Information Office. They may also be contacted at:

David Churchill
Mortgage Loan Officer
Bank of America Home Loans
Tel: 503.274.0124
Fax: 866.639.6712
Email: david.churchill@bankofamerica.com

Giles Rubholz
Mortgage Loan Officer
MetLife Home Loans
Tel: 360.901.4918
Fax: 360.326.1905
Email: grebholz@metlife.com

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*** CLOSING INCENTIVES:** Buyers who obtain financing through Bank of America Home Loans or MetLife Home Loans and close escrow within forty-five (45) calendar days of the auction will be credited \$3,000 toward non-recurring closing costs (based on lender guidelines) by Seller at the close of escrow. As an added incentive to purchase on auction day, the seller will provide a one percent (1%) discount off the purchase price to buyers who purchase with cash and close escrow within twenty-one (21) calendar days of the auction.

THIRD PARTY FINANCING

Buyers who choose to apply for financing with any lender other than Bank of America Home Loans or MetLife Home Loans ("third party financing") must provide Kennedy Wilson with a prequalification letter, acceptable to Kennedy Wilson, from their lender with their Auction Registration Form, along with obtaining prequalification from one of the Seller-Approved lenders. Transactions are not contingent upon Buyers' ability to obtain financing when using a third party lender per the terms outlined on the Financing Addendum.

FIRST-TIME HOMEBUYER CREDIT

A federal tax credit of up to \$8,000 has been extended to first-time homebuyers, who sign a purchase agreement by April 30, 2010, and close escrow by June 30, 2010. For complete details, visit the Auction Information Office and consult your tax advisor.

CASH BUYERS

Buyers who choose to pay cash for their purchase must submit proof of liquid funds to Kennedy Wilson and Realty Trust City on or before auction day and must furnish Seller with any credit information that satisfies Seller of ability to pay within seven (7) business days after the date on which the Unit Sales Agreement has been fully signed by both parties. If Buyer is unable to close the purchase because of a change

in financial status or any other reason (other than a breach of the Unit Sales Agreement by Seller), then Buyer's earnest money deposit shall be paid to and retained by Seller.

BROKER COOPERATION

Participation of Oregon licensed real estate brokers is encouraged. A commission of 2.5% of the high bid price will be offered to all qualified, registered brokers. All commissions will be paid at the close of escrow. In order to qualify for the broker cooperation commission, brokers must comply with the following requirements:

- The prospective client ("Bidder/Buyer") must register his/her broker on the Auction Registration Form at the time of initial registration no later than Thursday, April 8, 2010. **No Broker registration will be accepted on auction day.**
- Brokers must accompany the Bidder/Buyer to the auction and, if successful, throughout the entire purchase process at the auction on Sunday, April 11, 2010, and execute the Cooperating Broker Agreement.
- A Bidder/Buyer, who does not comply with subparagraphs (a) – (b), inclusive, shall assume liability and be solely responsible for payment of any commission due and owing to his/her broker.

CLOSING

All sales must close on or before Wednesday, May 26, 2010 (45 days after the auction), unless extended by the seller in writing. All buyers will be required to pay customary closing costs including, but not limited to: escrow fees, recording fees, normal pro-rations, title fees, new loan fees, plus all documentary transfer or preparation fees and Homeowners Association Fees. No contingent buyers will be allowed to purchase.

EXTENSIONS

In certain cases, the seller, at his/her sole discretion, may grant a fifteen (15) day extension of the closing date for a non-refundable extension fee of \$1,500 in a cashier's check payable to Seller. This fee will not be credited to the purchase price. Requests for extensions must be made in writing at least five (5) calendar days prior to the scheduled closing date. All extension requests are evaluated by the seller on a case-by-case basis and are solely at Seller's discretion. Extensions are granted only to buyers who have demonstrated good faith in attempting to close escrow by the scheduled date. No sale will be contingent upon receiving an extension from the seller.



ADDITIONAL TERMS AND CONDITIONS

- a) No claim will be considered for allowance, adjustment, or rescission based upon failure of the residential unit to correspond to any particular expectation or standard (except the Preliminary Title Report).
- b) Bidding increases will be in such increments as the Auctioneer in his sole discretion directs. In the event of a dispute between bidders, the Auctioneer shall make the sole and final decision to either accept the final bid or reoffer and resell the property in dispute. The auction will be recorded and, if any dispute arises following the auction, the Auctioneer's records shall be conclusive in all respects.
- c) Title Insurance is available for each residential unit, insuring the title of such residential unit to be fee simple, subject to no encumbrances except for current taxes and assessments, easements, right-of-way, reservations, covenants, conditions and restrictions of record, and printed exceptions in the standard form title insurance policy. A copy of the Preliminary Title Report (or title commitment) for each residential unit may be inspected prior to the auction.
- d) Floor plans, sizes and square footages set forth for the residential units may vary and are approximations only, based on the best information available. Kennedy Wilson and Seller do not guarantee the accuracy of the square footage or other information regarding the condition and features of the property provided by Seller or obtained from public records or other sources. Each bidder is advised to independently verify the accuracy of all information through personal inspections with appropriate professionals and to rely on their own research at their own cost. Model residential units may contain furnishings, amenities and construction details that may not be present in the residential units available for purchase. The seller or the auctioneer make no representation or warranty that the residential units available for auction purchase will contain any such furnishings, amenities or construction details.
- e) The seller and auctioneer reserve the right to refuse admittance to or expel anyone from the auction premises for interference with auction activities, nuisance, canvassing, collusive bidding, bid-rigging or other reasons.
- f) The auction will be recorded. Bidders' attendance at the auction shall constitute Bidders' consent to any audio and/or visual recording.
- g) No auction attendees may take audio or visual recordings of the auction.
- h) The seller has the right to postpone or cancel the auction, in whole or in part, at its sole discretion, and to modify or add any terms and conditions of sale and announce such modifications or additional terms and conditions either prior to or at the auction. Written and oral auction announcements shall take precedence over prior printed information; however, the executed John Ross Condominiums Unit Sales Agreement will evidence all understandings and agreements between Buyer and Seller and will be in all respects controlling.
- i) No buyer shall assign his/her rights under the John Ross Condominiums Unit Sales Agreement to any other party without seller's prior written consent.
- j) Prospective buyers should examine the residential units and all supporting documentation carefully, as each bidder is responsible for making his/her evaluation of the residential units and may not rely on the seller or sales agents.
- k) OFFER VOID WHERE PROHIBITED. Brochure will not be mailed to residents of any state in which this offering is not in compliance with the real estate laws or other laws of that state.