

# RICK LEVIN & ASSOCIATES, INC.

## TERMS OF SALE FOR PURCHASING PROPERTY AT AUCTION

1. **DATE AND TIME.** Rick Levin & Associates, Inc. ("Auctioneer") will offer the properties described in this brochure for sale at auction. Auctioneer represents the seller ("Seller") of these properties. The auction shall take place at 1 p.m. on Thursday, November 7, 2019, at the Gibsons Bar & Steakhouse, 1028 North Rush Street, Chicago, Illinois. Registration begins at Noon and continues until 1 p.m.

2. **BIDDER REGISTRATION.** All prospective bidders will be required to register at the auction. **A CASHIER'S CHECK IN THE AMOUNT OF \$250,000 FOR PROPERTY IS REQUIRED TO BID AT THE AUCTION ALONG WITH A PHOTO ID ISSUED BY A GOVERNMENT AGENCY (DRIVER'S LICENSE, PASSPORT, ETC.).**

3. **AUCTION DAY.** All bidders are encouraged to arrive at the auction at 12 p.m. By doing so, bidders will ensure they have sufficient time to register, present their cashier's check, ask any last-minute questions and secure preferred seating.

4. **AUCTION CONDUCT AND BIDDING PROCEDURES.** Conduct of the auction is at the sole discretion of Auctioneer. Auctioneer has the right to reject any bid and, at its sole discretion, determine the bidding increments. To bid during the auction, a bidder may raise their bid card, shout out their bid or ask a bidder's assistant to call out their bid for them. Auctioneer reserves the right to eject any person from the auction for any reasonable grounds deemed appropriate by Auctioneer. **Announcements made by Auctioneer staff at the auction will supersede any prior written or oral information.**

5. **REAL ESTATE SALES CONTRACT.** These properties are offered for sale on, and subject to, the terms and conditions contained in the Real Estate Sales Contract ("Sales Contract"). The terms of the Sales Contract supersede any conflicting terms of sale contained herein. Bidders and their attorneys should review the Sales Contract prior to the auction.

6. **WINNING BIDDERS.** Upon the fall of the auctioneer's gavel, the successful high bidders shall (1) step up and present their non-refundable earnest money cashier's check in the amount of \$250,000.00 and (2) with the assistance of an auction company representative, execute the Sales Contract for the respective properties.

7. **EARNEST MONEY.** If you are a winning high bidder, the cashier's check brought to the auction will be applied towards the earnest money deposit as set forth in the Sales Contract. The cashier's check shall be made payable to yourself and will be endorsed over to the escrow account as designated in the Sales Contract if you are a winning high bidder. The high bidder shall comply with all terms of the Sales Contract, which includes an increase in the required earnest money deposit, to ten percent (10%) of the total contract purchase price within 5 days of Seller's acceptance. If the additional earnest money is not paid at the auction, a second cashier's check or wire transfer will be the only acceptable methods of payment for the balance of earnest money.

8. **CLOSING.** Closing shall be approximately 30-45 days after the acceptance of the bid, unless mutually agreed otherwise or unless extended by reason of any title defect, at an office of Chicago Title Insurance Company, or as otherwise provided under the terms of the Sales Contract. Please note HUD/CHA approval process in the approved Purchase Agreement.

9. **BUYER'S PREMIUM.** The high bidder shall pay a buyer's premium fee, equal to five percent (5%) of the final high bid or offer received for the properties and said premium shall be added to the final bid or offer to determine the total contract purchase price.

10. **ACCEPTANCE OF OFFERS. Minimum Bid Sale:** For properties sold subject to a Minimum Bid, if the high bid equals or exceeds the Minimum Bid for that property, then the Seller shall accept the offer at the auction. All 82 Condos will be offered in Bulk subject to a published minimum Bid of \$5,000,000 or highest bid above that amount obtained and using the approved Purchase Agreement for memorializing the transaction. If the high bid does not meet the Minimum Bid, then the offer shall be considered a reserve sale, whereby Seller has the right to accept or reject the high bid in their sole discretion. **Reserve Sales:** The final high bids on properties sold during a reserve round of bidding (reserve sales) will be irrevocable until 5:00 p.m. Chicago time on Monday, November 11, 2019, or as otherwise indicated in the Sales Contract for the subject property. The seller has the right to accept or reject the high bid for a reserve sale until that time and will not have any obligations or duties to any Purchaser unless and until Seller signs the Sales Contract. All winning high bidders in reserve rounds will be informed of Seller's decision either at the auction, or by telephone or Mailgram. The seller reserves the right, in their sole discretion, to "lift the reserve," or waive their right of rejection, during any reserve round of bidding at the auction. If any Seller lifts the reserve, it shall be treated from that point on like an absolute sale.

11. **CONDITION OF PROPERTY & BIDDER INSPECTION.** All properties are being offered for sale on "AS-IS, WHERE-IS". Bidders are invited to conduct any inspections of the property PRIOR to the auction at their own expense. Inspections may be conducted prior to the auction by appointment. You are not required to conduct any inspection, however, your opportunity to conduct inspections after the auction is waived in the Real Estate Sales Contract. Copies of all required reports including the Seller's disclosure reports signed by the Seller will be available from the Auctioneer prior to the auction.

12. **BROKER PARTICIPATION.** A Participating Broker Fee equal to two percent (2%) of the High Bid will be paid by Auctioneer if and when closing occurs, to a qualified licensed Broker ("Participating Broker") whose client closes a purchase of the property. To qualify for payment of the Participating Broker Fee, a Participating Broker MUST adhere to all the following:

- Be duly licensed as a real estate broker in the State of Illinois in good standing;
- Attend the auction, register with their prospect(s) there and bid for or with them;
- Register their prospect on Participating Broker's letterhead indicating the prospect's name, address, and daytime and evening telephone numbers. The Participating Broker and prospect must each sign the letter acknowledging the Participating Broker's representation. The letter must then be sent by certified mail, return receipt requested, to Rick Levin & Associates, Inc., Broker Registration Dept., 980 N. Michigan Ave., Suite 1400, Chicago, IL 60611 or faxed to 312-214-3510, Attn: Rick Levin & Associates, Inc., Broker Registration Department. This letter must be postmarked, if mailed, or faxed **no later than October 28, 2019.**
- All registrations accepted by RLA will be acknowledged by facsimile, e-mail or mail with a Participating Broker Acknowledgment Form. **A copy of the Participating Broker Acknowledgment Form must be presented when registering at the auction.**
- A broker may not serve as a principal or other participant with respect to a property for which he or she is paid a Participating Broker's Fee. An affidavit will be required stating the Participating Broker is serving only as a broker and not as a principal.
- No prospect(s) shall be recognized as a Broker's client if the prospect(s) had previously contacted or been contacted by the owners or their representatives.
- If a Participating Broker has not met all of these requirements, no commission will be paid to the Participating Broker even if its prospect purchases the Property. A complete registration file on all

prospects will be maintained by Auctioneer. No oral registrations by Participating Brokers will be accepted. There will be **NO EXCEPTIONS** to these requirements.

- Each bidder who registers with a broker shall represent that it has dealt with no other brokers with respect to the property (except for Auctioneer and its agents) and such bidder will indemnify the seller and Auctioneer against claims by any other broker claiming a fee by reason of having dealt with such bidder.

13. **FINANCING.** These sales are not contingent on Purchaser's ability to obtain financing.

14. **ADDITIONAL INFORMATION.** Specimen Sales Contract and any other pertinent property and auction information are available by request to the Auctioneer. All information is subject to the Sales Contract.

15. **EXCLUSION OF PROPERTIES.** Rick Levin & Associates, Inc. and every Seller each reserve the right to withdraw any property before or during the auction, and to sell any property prior to the auction without notice.

16. **ADDITIONAL CONDITIONS.** Seller and Auctioneer reserve the absolute right, in their sole discretion, to amend these Procedures, Terms and Conditions at or before the auction. To the extent there is any conflict between the provisions of these Procedures, Terms and Conditions as set forth herein and in any Sales Contract, the terms of the Sales Contract shall govern.

- Auctioneer has the right, in its sole discretion, to postpone or cancel the auction in whole or in part, and to modify or add any terms and conditions of the auction and to announce such modifications or additional terms and conditions prior to or during the auction.
- Auctioneer reserves the right to audio/video record the auction.
- All bidders acknowledge that Auctioneer does NOT have an ownership interest in any properties in this auction, and therefore, all bidders further acknowledge that Auctioneer is NOT responsible for any actions or inactions by Seller(s) regarding Seller(s) obligations under the Sales Contract and auction process.
- The accuracy and completeness of the information contained in the marketing materials, Bidder's Information Package and website of Auctioneer cannot be guaranteed and prospective bidders are advised to independently verify any information they deem important.
- All live and online auctions may continue after the close of bidding at the sole discretion of Auctioneer as long as Auctioneer discloses to all registered bidders that the auction is continuing.
- EXCEPT AS EXPRESSLY STATED IN THIS PARAGRAPH, THESE PROCEDURES, TERMS AND CONDITIONS DO NOT CREATE ANY LEGAL OBLIGATIONS ON AUCTIONEER OR THE SELLER. IF AUCTIONEER OR THE SELLER FAILS TO COMPLY WITH ANY OF THESE PROCEDURES, TERMS AND CONDITIONS FOR ANY REASON, NEITHER AUCTIONEER NOR THE SELLER SHALL HAVE ANY LIABILITY OR OBLIGATION WHATSOEVER. THESE PROCEDURES, TERMS AND CONDITIONS NEVERTHELESS ARE BINDING UPON AND MUST BE COMPLIED WITH BY ANY PERSON OR ENTITY SUBMITTING A BID. SELLER WILL BE BOUND ONLY BY THE PROVISIONS OF THE ACTUAL SALES CONTRACT AS AND WHEN EXECUTED AND DELIVERED BY EACH PARTY THERETO.
- **DISCLAIMER.** INFORMATION CONTAINED IN THE AUCTION BROCHURE, THE BIDDER'S INFORMATION PACKAGE AND WEBSITE HAS BEEN OBTAINED FROM THE SELLER(S) AND OTHER SOURCES DEEMED TO BE RELIABLE. HOWEVER, NEITHER THE SELLER(S), AUCTIONEER, NOR THEIR AGENTS MAKE ANY REPRESENTATIONS OR WARRANTIES AS TO THE ACCURACY OR COMPLETENESS OF THIS INFORMATION. EACH PROSPECTIVE BIDDER MUST UNDERTAKE AND RELY ON HIS OR HER OWN INVESTIGATION OF THE PROPERTY.

