

ARTESIA – TERMS AND CONDITIONS OF THE AUCTION

On Saturday, December 12, 2009, Starpointe Artesia Condominiums, LLLP (Seller) in association with Intellimarket™ (Auctioneer), will offer for sale at public auction, 43 condominiums located at 7291 N. Scottsdale Rd, Scottsdale, Arizona and 5 brownstones (collectively referred to as Home or Homes) located at 7297 N. Scottsdale Rd., Scottsdale, Arizona (Artesia). The Auction will take place at 12:00 noon at Doubletree Paradise Valley Resort, 5401 N. Scottsdale Rd., Scottsdale, Arizona.

(1) MINIMUM SELLING PRICE

A “Minimum Selling Price” has been established for each Home and is the price at which bids must start. Bids lower than the Minimum Selling Price will not be accepted. Bidders make bids on the Home of their choice with the assurance that if they make the highest bid at or above the Minimum Selling Price, their bid will be accepted (subject to 14C below). Neither the Seller nor any of its agents will bid during the course of the Auction. See Artesia Auction brochure or web site, www.AuctionArtesia.com, or visit Artesia Auction Information Office for the “Minimum Selling Price” for each Home to be offered at the Auction.

(2) REGISTRATION AND PRE-QUALIFICATION

Prior to Auction day, Bidders must complete and submit the Registration Form at the Artesia Auction Information Office. Registration and pre-qualification with Seller’s Preferred Lender(s), is required to participate in the Auction and to become eligible to submit bids (a “Registered Bidder”). Registration is not complete until pre-qualification for home loan financing is obtained from the Seller’s Preferred Lender(s), or the Registered Bidder provides documentation satisfactory to Seller that the Registered Bidder has cash sufficient to close escrow. In addition, Registered Bidders must provide the other financial information requested on the Registration Form. The Registration Form is not a credit application; it is, however, required and must be provided before Registration can be processed. Registered Bidders are not required to obtain financing from the Preferred Lender and prequalification is not a guaranty that a Registered Bidder will actually qualify for a loan from the Seller’s Preferred Lender or any other lender.

Registered Bidders who are planning to purchase more than one Home, must submit the Registration Form no later than December 6, 2009. Registered Bidders registering to buy more than one Home will be notified of the number of Homes they have been approved to purchase prior to Auction day. No bidder may purchase more than three Homes.

All approved Registered Bidders must present a separate cashier’s check, traveler’s check, certified check, money order (“Good Funds”) or cash in the amount of \$2,000 for each Home that they have been approved to purchase. The “Good Funds” will be used as a portion of the required 3% purchase deposit for each respective Home. Registered Bidders should make “Good Funds” payable to the Registered Bidder’s name. Winning high bidders will endorse their check to First American Title Insurance Company, the Escrow Holder, as part of the 3% purchase deposit on their Home.

(3) AUCTION DAY

The Auction will begin promptly at 12:00 noon, Saturday December 12, 2009 at Doubletree Paradise Valley Resort, 5401 N. Scottsdale Rd., Scottsdale, Arizona.

Only Registered Bidders will be allowed to participate in the Auction. At check-in, after Good Funds are presented, Registered Bidders will receive an Auction packet and, Personal Identification Code ("PIC"). An Arizona driver's license, government issued or other photo identification card acceptable to Seller must be presented at check-in in order to receive a PIC and must otherwise match all Registration Form and the subsequent Purchase Agreement identification information (if the bidder is successful).

On Auction day the 48 Homes will be offered simultaneously and the Auction will continue until there is no bidding on any Home for a specified period of time, such period of time to be determined at the sole discretion of the Auctioneer. The simultaneous and continuous features and bidding procedures of the Auction will be explained and demonstrated at the Auction Information Office and at Practice Auctions held prior to the Auction.

Registered Bidders may make bids on all of the Homes during the course of the Auction. However, Registered Bidders may be the high bidder on only the number of Homes that they have been pre-approved to purchase. In the event a Registered Bidder holds the high bid on that number of Homes, the Auction computer will NOT accept a bid submitted on an additional Home.

Bids which meet the following conditions, will be accepted on Auction day:

- (A) Bids must be submitted by a Registered Bidder.
- (B) Bids must be submitted with a verified PIC.
- (C) Bids must be a minimum of \$3,000 higher for the condominiums and \$5,000 higher for the brownstones than the previous high bid for a Home.
- (D) Bids must be rounded to the nearest \$1000 increment. Any bid submitted that is not rounded to the nearest \$1000 increment, will be automatically rounded up by the computer to the next highest \$1000 increment.

During the Auction, all bids will be entered into the Intellimarket™ computer. The computer will identify and accept the high bid for each Home in the Auction. There will be an Auctioneer and floor personnel to assist all on site Registered Bidders with their bidding and the Auction process.

Immediately following the end of the Auction, before departing the Auction site, Registered Bidders at the Auction site, who have made the high bid ("Buyer") on a Home will initiate loan application with Seller's Preferred Lender, complete and sign Purchase Documents and make a 3% deposit on the Purchase Price of the Home (as determined pursuant to Paragraph 5 below).

(4) REMOTE BIDDING

Remote Bidding Rules vary slightly from Bidding Rules for Registered Bidders who submit bids at the Auction site. Complete Remote Bidding Rules for Registered Bidders can be viewed at www.AuctionArtesia.com.

Registered Bidders, who will make bids remotely (by Internet or telephone depending on services available), must sign and deposit certain Purchase Documents and Good Funds at the Auction Office by December 10, 2009 at 10:00AM. A PIC will be issued to the Registered Bidder prior to the Auction. Remote Bidders may deliver Good Funds by bank wire to William R. Stevenson & Associates Trust Account. Wiring instructions will be given in Registered Bidder's packet (See Remote Bidding below).

Registered Bidders who have made the high bid on a Home remotely ("Remote Buyer"), having previously signed certain Purchase Documents, have 48 hours from the close of the auction to deposit with First American Title Insurance Company the balance of a 3% deposit on the Purchase Price of the Home purchased, finalize loan details with the lender and order a home appraisal. Remote Buyer's Good Funds will be automatically delivered to Escrow Holder. In the event a Remote Buyer does not deposit the balance of the 3% deposit within such 48 hour period, the Good Funds submitted by the Remote Buyer will be retained by Seller as liquidated damages and the Remote Buyer shall not have further right to proceed with the purchase.

(5) BUYER'S PREMIUM

A Buyer's Premium of 2% of the high bid will be added to the high bid to equal the Purchase Price of each Home. This Purchase Price is the amount on which Buyers will obtain mortgage financing.

(6) PROPERTY INSPECTION AND AUCTION DOCUMENTS

Bidders must personally visit Artesia and personally investigate and inspect all the Homes they are interested in purchasing before the Auction. Purchase Documents are available at the Artesia Auction Information Office and at www.AuctionArtesia.com. Purchase Documents must be thoroughly reviewed for details of the offering. Such Purchase Documents include, but are not limited to (a) Purchase Agreement and Escrow Instructions and Addenda; (b) Preliminary Title Report; (c) State of Arizona Department of Real Estate Final Subdivision Public Report; (d) Supplemental Disclosures; (e) Declaration of Covenants, Conditions and Restrictions For Artesia; (f) Condominium Plan; and (g) Articles and Bylaws and other Association Documents. Other documents and disclosures will also be available for review.

(7) HOMEOWNERS ASSOCIATION

Buyers will become members of Artesia Homeowners' Association (the "Association") and will be assessed a monthly fee ("HOA Dues") depending on the style of the Home. Among other things, the Association provides all Homes with water, trash, sewer, maintains all Association property and common areas, including pool, spa, and landscaping. In addition, the Association is responsible for insurance on all Common Areas.

(8) FINANCING ARRANGED BY THE SELLER

As further provided in the Purchase Agreement, Buyers who plan to finance the purchase of their Home are required to apply for financing with the Seller's Preferred Lender. A variety of financing programs are available. Please visit the Artesia Auction Information Office for details regarding the programs. Buyers are not required to accept financing from Seller's Preferred Lender and may obtain financing from any lender they choose. However, the purchase of a Home at the Artesia Auction is not contingent upon loan approval unless financing is denied by the Seller's Preferred Lender.

(9) THIRD-PARTY FINANCING

Within two days after the Auction, a successful Buyer who chooses to apply for third-party financing (financing other than that offered by Seller) must notify the Artesia Auction Information Office of his or her lender and a contact person for that lender. Just as importantly, each Buyer must obtain a written lending commitment from their lender within 48 hours after the Auction. Failure to timely obtain such commitment will result in termination of the Purchase Agreement unless Buyer elects in writing to proceed to closing on an all cash basis, in which event the deposit will become nonrefundable.

(10) BROKER COOPERATION

Participation of all licensed Arizona real estate brokers (or active licensed sales agents) is welcome and encouraged. A fee of 3% of the winning bid amount for a Home (not including Buyer's Premium) will be paid by the Seller to the qualified broker whose client is a high bidder at the Auction and who closes escrow as provided in the Purchase Agreement. Broker cooperation requires (a) a cooperating broker to accompany and sign-in his or her client on their first visit to Artesia, (b) written registration of the broker by the buyer on the Registration form, (c) execution by Broker of Seller's standard broker cooperation agreement, (d) the Broker to attend the Auction with the client and accompany the client through the contract completion process immediately following acceptance of its winning bid, (e) that the broker is a licensed Arizona broker.

(11) CLOSING

All sales must close on or before January 12, 2010, unless extended by the Seller in writing, which shall be at the sole and absolute discretion of Seller. Seller shall pay, as its closing charges the recording fees, owner's policy of title insurance premiums, and Seller's portion of the Escrow Fee. Buyer agrees to pay as its closing charges (i) fees for drawing and recording any other document necessary on Buyer's part, (ii) lender's title insurance premiums, (iii) city and county documentary transfer taxes, (iv) Buyer's portion of the Escrow fee or the Escrow termination charge, (v) all costs related to purchase financing, (vi) Buyer's closing costs which may vary according to lender, and (vii) all associated HOA contributions per CC&R's. All Buyers will be required to pay prorated real property taxes and assessments.

(12) EXTENSIONS

Requests for extensions must be made in writing at least five days prior to the scheduled closing date. All extension requests are evaluated by the Seller on a case-by-case basis and are at Seller's sole and absolute discretion. No sale will be contingent upon receiving an extension from the Seller. Earnest money is forfeited to Seller unless an extension is approved.

(13) OPTIONS, UPGRADES & OTHER INCENTIVES

There will be no options, upgrades or other incentives offered to any bidder and/or Purchaser.

(14) ADDITIONAL CONDITIONS

A. To the extent permitted by law, no claim will be considered for allowance, adjustment or rescission based upon failure of the Home to correspond to any particular expectation or standard (except the Commitment for Title Insurance).

B. In the event of a dispute regarding which bidder has the winning bid for a Home, the Auctioneer shall make the sole and final decision to either accept the final bid or to re-offer and resell the Home 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. In the event that fewer than 20 Homes are sold at the auction, or fewer than 20 buyers are able to qualify for financing within 15 days of the auction, Seller reserves the right to cancel all auction sales and return all deposits to auction buyers.

D. Title to the Home will be conveyed to the Buyer in fee simple, subject to only current taxes and assessments, easements, rights-of-way, reservations, covenants, conditions and restrictions of record, and printed exceptions in the Plain Language Owners Policy of Title Insurance and any loan amount which Buyer obtains to finance the purchase of the Home. A copy of the Commitment for Title Insurance for each Home must be inspected and accepted prior to the Auction.

E. Sizes and square footages set forth are approximations only, based on available public information. Actual sizes and square footages may be different. Floor plans, views and site lines, features and amenities vary from Home to Home. Such variation may include total area, number of windows, window sizes, door and window styles, balcony (if any), and other architectural features. Renderings and floor plans are artists' conceptions. Assessments, if any, are subject to change.

F. All homes are sold on an "as-is" basis, and any/all warranties are explicitly stated in the Seller's Purchase Documents. Bidders must personally visit Artesia and personally investigate and inspect all the Homes they are interested in purchasing before Auction day. At the time of Registration for the Auction, prospective Buyers are required to confirm that they have examined the Homes and all supporting

documentation carefully. Each Buyer is solely responsible for investigating and evaluating the Home and shall not rely on the Seller, the auctioneer or sales agents.

G. Seller and Auctioneer reserves the right to refuse admittance to or expel anyone from the Auction premises for interference with Auction activities, nuisance, canvassing or other reasons.

H. Registered Bidders hereby release the Seller, Seller's lender and its agents from any actual or potential claim, known or unknown, which the Registered Bidders may have against Seller, Seller's lender or its agents due to Registered Bidder participating in the Auction remotely rather than in person.

I. Seller reserves the right to change terms and prices without notice, prior to the commencement of the auction.

J. Registered Bidders are advised that there are certain risks involved with participating in the Auction remotely rather than in person at the Auction site. Those risks include, but are not limited to communication failures or interruptions, causing the Registered Bidder to receive information later than would be received by participants at the Auction site, or not at all, human error in inputting information, and the inability to accurately gauge the momentum of the procedure. The Seller and its agents are not responsible for any loss or damage caused by the above described incidents that could have been avoided if the Registered Bidder had attended the Auction in person rather than participating remotely.

K. **VOID WHERE PROHIBITED.** Auction packets will not be mailed to, and registration packets will not be accepted from, residents of States where an offer or sale would be in violation of laws of that State, including but not limited to the real estate laws.

L. All rules and regulations regarding the Auction and sales process shall be determined by Seller and are subject to change without notice. All transactions are subject to these official rules, procedures, regulations and decisions, together with Federal and State law. The Purchase Documents will supersede these Terms & Conditions where inconsistent.

M. Notwithstanding anything to the contrary herein Seller has the right, at any time, to postpone or cancel the Auction in whole or in part, in its sole and absolute discretion, and to modify or add any terms and conditions of sale and to announce such modifications or additional terms and conditions.

SERVICE HOTLINE

Intellimarket™ takes pride in the quality of their service. If at any time you require special assistance, please contact Auction Manager, Jerod Miller at 480-951-9800 or Info@AuctionArtesia.com.