

J. P. KING AUCTION COMPANY, INC.

TERMS OF AUCTION DOMAIN NAMES

**Real Estate Domain Portfolio
San Francisco, CA
Thursday, June 11, 2009 at 1:00 PM (PT)**

J. P. King Auction Company, Inc. ("Auctioneer"), an Alabama corporation headquartered at 108 Fountain Avenue in Gadsden, Alabama 35901 (telephone 800-662-5464 or 256-546-5217 and facsimile 256-543-8036) has contracted with RealEstateNet, LLC ("Seller") to offer to sell at public auction ("Auction") certain Internet website domain names (i.e., electronic URL addresses comprised of word and/or number sequences to identify particular web pages on the Internet). These Terms of Auction, plus any additions, deletions, and/or revisions announced by Auctioneer before the commencement of the Auction represent the exclusive terms for this offering.

1. *DOMAIN NAMES AUCTION ONLY:* These Terms of Auction apply solely to the Seller's offering of the domain names that Seller owns and possesses and which are referenced herein ("Property"). Seller will offer for sale all rights, title, and interest in the Property that Seller owns and possesses and which total 2,670 domain names

2. *AGENCY:* Auctioneer is acting exclusively as an agent for Seller and not as an agent for any Bidder or Buyer.

3. *COLLUSION:* Bid-rigging is a federal felony punishable by imprisonment and fine. Auctioneer will report all illegal conduct to the F.B.I. and cooperate with any prosecution.

4. *COPYRIGHT:* The Auction is the exclusive intellectual property of Auctioneer, covered by copyright protection, and may not be recorded, reproduced, or used in any form by anyone other than Auctioneer.

5. *PROPERTY:* Seller has the Property registered with Moniker Online Services, LLC, 20 SW 27th Avenue #201, Pompano Beach, FL 33069 (tel. 954-984-8445) ("Moniker"). Seller will sell, transfer, and convey all of its rights, title, and interest in the Property to a Buyer.

6. *DUE DILIGENCE:* Seller and Auctioneer do not attempt to provide Bidder with all of the information that may be needed to make an informed decision about the Auction, the Property, and its purchase. Bidder should obtain professional advice, as deemed needed, and conduct due diligence on all matters relevant to the Auction, the Property, its purchase, all information provided by Seller or Auctioneer, public records, these Terms of Auction, the transaction contemplated herein, and all circumstances, defects, facts, issues, problems, and other pertinent points (collectively "Property Issues"). All information provided by Auctioneer came from Seller and is believed to be accurate, but neither Seller nor Auctioneer guarantees, represents, or warrants its accuracy or completeness and Bidder should not rely upon it without independent inspection and verification from sources Bidder knows to be reliable. Seller and Auctioneer are not required to update any information provided or published and will have no liability on any basis for failing to do so.

7. *DISCLAIMER:* Participation in the Auction is at Bidder's sole risk and Seller and Auctioneer, plus their agents, contractors, directors, employees, officers, members, and other representatives will have no liability on any basis. The Property will be offered in "**AS IS**" condition, "**WITH ALL DEFECTS, FACTS, ISSUES, PROBLEMS, AND OTHER RELEVANT MATTERS,**" whatever they may be, and without guarantee or warranty of any kind. Seller and Auctioneer strongly encourage Bidder to carefully inspect all aspects of the Property to determine its nature, quality, condition, and circumstances. Bidder relies solely on its due diligence and inspection of the Property, Property Issues, and this offering at Auction specifically does not rely on information provided by Seller, Auctioneer, or its staff. Bidder's failure to conduct adequate due diligence and inspect the Property, Property Issues, and this offering at Auction, or otherwise be fully informed about related matters, will not constitute ground for any adjustment, claim, refund, termination of the contract of sale, or refusal to close the sale. To the fullest extent allowed by law, Seller and Auctioneer unconditionally disclaim any guarantee, representation, or warranty of any kind, whether expressed, implied, or statutory, whether oral or written, and whether past, present, or future, with respect to the Property and all Property Issues including, but not

limited to, the domain name, the websites, and the contents comprising or received through the use of the websites. **THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT, AND ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, ARE SPECIFICALLY AND FULLY DISCLAIMED AND EXCLUDED BY SELLER AND AUCTIONEER AND DO NOT APPLY TO THE PROPERTY, THIS AUCTION OFFERING, AND/OR ANY SALE OF THE PROPERTY.** In no event will Auctioneer or Seller be liable for any indirect, incidental, special, consequential, punitive, or other damages resulting from the use of, or inability to use, the Property, any subject website, or the contents comprising or received through use of any website, including, but not limited to, damages for loss of profits, use, or other intangibles and, in the event the foregoing limitation is later held to be unenforceable, in no case will the amount of damages payable to a Buyer by Seller or its agent or other representative for any claim arising out of or in connection with the Auction and/or sale of the Property exceed the amount paid by Buyer to Seller to purchase the Property.

8. **DISCLOSURES:** The Property will be offered for sale and conveyed subject to all conditions, matters of record, and public information. To Seller's knowledge and belief, none of the Property is the subject of trademark, service mark, or copyright protection, either by Seller or any third party, and none of the Property infringes upon, or otherwise violates, any third party's intellectual property rights, proprietary rights, or other legal rights, but Seller specifically makes no guarantee or warranty to this effect. Seller has been advised by Moniker that the fees, costs, and other expenses that a Buyer will incur for transferring and registering the ownership of the Property into Buyer's name will be approximately Seven-tenths of One Percent (00.007%) of the amount of the total purchase price paid by Buyer for the Property, but the exact amount must be procured by Buyer directly from Moniker and Seller and Auctioneer specifically make no guarantee or warranty on this point. Seller's cost for having the Property registered with Moniker has been \$8.02 per name per year, but Buyer would have to procure the amount of this cost directly from Moniker and Seller and Auctioneer specifically make no guarantee or warranty on this point.

9. **REGISTRATION:** Any competent adult with a satisfactory photo identification who properly registers and complies with the Terms of Auction may bid in the Auction. Auctioneer may refuse to register or expel any person who is disruptive, noncompliant, or previously caused a problem for Seller or Auctioneer. Any person intending to bid on behalf of another must present Auctioneer with an executed, enforceable, recorded, and unexpired power of attorney which is subject to Auctioneer's approval. By registering, Bidder acknowledges receipt and full understanding of the Terms of Auction and unconditionally and irrevocably agrees to be so bound.

10. **BUYER'S PREMIUM:** A twenty percent (20%) buyer's premium will be in effect for the Auction and will be added to the amount of the highest bid for the Property, if sold, to arrive at the Property's selling price. In addition, any state or federal tax required by law to be charged will be added to the selling price to arrive at the Property's final "Total Contract Price."

11. **AUCTION:** Auctioneer's discretion includes, but is not limited to, the auction method, bid-calling, bid increments, and determining the buyer. The decision of Auctioneer is final regarding all matters that arise before, during, or after the Auction. Seller shall not bid. Bidder shall not retract any bid. Bidders are encouraged to make their bids clearly visible to Auctioneer to avoid being missed. An individual purchase shall be considered a singular transaction whether it includes one or more lots. Under no circumstances will the sale of any lot be contingent upon the sale of any other lot whether or not purchased by the same Buyer.

(a) The Property is scheduled for a reserve auction (selling subject to Seller's confirmation of the high bid price) using "*High Bidder's Choice*" and "*Multi-Parcel Bidding*" (also known as "*Multi-Par Bidding*") methods of auction as follows:

(1) The lots will be bid by the dollar amount and the highest dollar amount offered by the final bidder for each round will be multiplied by the number of domain names within each lot to arrive at the total high bid price for that lot.

(2) *Round One:* The initial highest Bidder in round one will select any one or more of the lots from the Property inventory designated for round-one bidding. Once the initial highest bidder has completed this selection, if any lots in the round-one Property inventory remain available, bidding will resume in a second phase of round one for the available lots. The highest Bidder in the second phase of round one will select any one or more of the available lots from the round-one Property inventory. This process will continue into a third and subsequent phases of round-one bidding until all lots in the round-one Property inventory have been selected by their respective highest Bidders. Prior to starting the second and any subsequent phase of round-one bidding, Seller and Auctioneer may offer Bidders, on a first-come-first-served basis, the

opportunity to select any one or more of the unselected lots included in the round-one Property inventory for the amount of the last highest Bidder's bid. Once a high Bidder has selected one or more lots from the round-one Property inventory, that Bidder may NOT exchange any lot previously selected for any other lot.

(3) *Round Two*: All Bidders, including the respective high bidders in round one, shall have the right to select any lot for re-bidding in round two, or to select and combine any two or more lots for re-bidding, on the terms defined by Auctioneer and subject to a minimum, ten-percent (10.00%) increase over the current highest bid price for the lot(s) selected. Round-two bidding shall remain open for the lot(s) selected through one or more phases of bidding until all bidding for all of the lots has ended and the Bidders make no further request to re-bid any lot or combination of lots, at which time Auctioneer will close the round-two bidding and announce which lots have been sold and the identities of the respective highest Bidder(s) to become the Buyer(s).

An enforceable contract for sale will then be immediately formed between Seller and that Bidder (now "Buyer"). No writing of any kind will be required from Buyer to satisfy any decision, principle, rule, statute, or other requirement in law or equity, including any statute or rule based upon, or of like effect, as section 2-201 (1) of the Uniform Commercial Code ("formal requirements; statute of frauds") or other statute of frauds, and Bidder and Buyer specifically waive and disclaim such from applying to any sale of the Property made by, or in relation to, the Auction.

12. *PURCHASE AGREEMENT*: This is a cash sale and not contingent upon any matter, including Buyer obtaining financing. Buyer will immediately execute the *Auction Purchase Agreement* ("Purchase Agreement") and all related documents presented by Auctioneer to bind Buyer and Seller to the sale of the Property. Any Buyer purchasing on behalf of a business or arm of government ("artificial person") will immediately execute the Purchase Agreement in both the artificial person's and Buyer's names, until such time as the artificial person presents Auctioneer with acceptable, written evidence of the artificial person's good standing in its state of formation, plus written authority, in a form acceptable to Auctioneer, agreeing to be bound by the Purchase Agreement. The Terms of Auction are incorporated into the Purchase Agreement which defines the entire agreement between Seller and Buyer. The Terms of Auction complement the Purchase Agreement and, in the event of any conflict between them, the Purchase Agreement will control in all instances. Buyer will execute the Purchase Agreement and no addition, deletion, or revision will be permitted. Auctioneer may have made oral statements about the Property purchased by Buyer. Such statements do **NOT** constitute warranties of any kind by Seller or Auctioneer, are **NOT** to be relied upon by Bidder or Buyer, and are **NOT** part of the Purchase Agreement. Nothing in these Terms of Auction, the Auction, any sale of the Property, and/or the Purchase Agreement will be construed in any way so as to limit Seller's right to purchase, own, create and/or maintain additional websites and other domain names.

13. *DEPOSIT*: Moniker will serve as the exclusive escrow/closing agent and, immediately following the Auction, Buyer will pay to Moniker, in U. S. Dollars, an earnest money deposit of no less than ten percent (10%) of the Total Contract Price of the sale of the Property ("Deposit"). If for any reason Buyer fails to timely execute the Purchase Agreement or pay the Deposit, Seller has sole discretion, to: (a) pursue all legal and equitable remedies available against Buyer, or (b) declare Buyer's bid to be immediately forfeited, null, and void, without any requirement of notice, and immediately re-sell the Property to another Buyer. Acceptable forms of payment include cash and approved check. Should Seller have to institute collection action to collect any portion or all of the Total Contract Price, Buyer agrees to also pay Seller all costs of collection, including reasonable attorneys' fees of Thirty-three and One-third Percent (33 1/3%), plus interest at the maximum rate allowed by law. **ALL SALES ARE FINAL WITH NO REFUNDS FOR ANY REASON.**

14. *CLOSING*: Closing of all transactions must occur on or before June 25, 2009.

15. *RELEASE*: Bidders, Buyers, and other persons present at the Auction (collectively "Attendees") are advised that Auctioneer and its agents, contractors, employees, and/or representatives may record the Auction, related matters, and attendees through audiotape, photography, motion pictures, and/or videotape for advertising, marketing, promotion, publicity, record, and/or trade purposes, and in consideration of being allowed to attend the Auction, Attendees unconditionally and irrevocably agree that their images and voices may be so recorded and used by Auctioneer in all types of media without territorial, time, or use limitation, and without compensation being owed or paid to Attendees by Auctioneer or Seller.

16. *ARBITRATION*: Any action, claim, controversy, counterclaim, dispute, or proceeding arising out of the Property Issues and involving Seller, Bidder, Buyer, or Auctioneer, in any combination, whether controlled by

federal or state law, and whether an issue of law or equity, including the determination of the scope and applicability of this agreement to arbitrate, must be determined and resolved exclusively by final and binding arbitration, with no appeal permitted, except as provided by applicable law for the judicial review or enforcement of arbitration decisions. The arbitration will be administered by Judicial Arbitration and Mediation Services, Inc., or its successor, and decided by one (1) independent arbitrator. Judgment on the arbitration award may be entered in any court having jurisdiction. The Parties waive the right to any legal action and trial by jury. The costs of arbitration, including the fees and expenses of the arbitrators, but not including the Parties' attorneys' fees, will initially be paid equally by them. The prevailing Party will be entitled to collect from the other its full costs associated with the arbitration, including reasonable attorneys' fees. All aspects of any arbitration will be permanently kept confidential and not disclosed in any form or manner to any entity, media, or person, and the Parties will jointly move the court entering judgment on the arbitration award to so order. Any arbitration must be commenced within two (2) years from the date when the cause of arbitration accrues or it will be forever barred. The right of arbitration will accrue, and the two (2) year limitation period will begin to run, on the date the breach, damage, or injury is sustained and not when the resulting damage or harm is discovered. To the fullest extent allowed by law, the Parties agree that neither Seller nor Auctioneer will be liable for any consequential, incidental, indirect, or special loss or damage that might arise out of Property Issues.

17. CHOICE OF LAW, JURISDICTION, AND VENUE: Property Issues and all other matters related to Seller, Auctioneer, the Property, the Auction, and the sale of the Property will be exclusively construed and governed in accordance with the laws of the State of Colorado, without regard to its conflict of laws principles. The exclusive jurisdiction and venue for any controversy or claim between the Parties will be the county of Larimer in the State of Colorado.

18. MISCELLANEOUS: The Terms of Auction will bind Bidder and/or Buyer and their agents, assigns, attorneys, beneficiaries, brokers, directors, distributees, employees, executors, heirs, legatees, members, officers, representatives, shareholders, and successors in interest. No deletion, modification, supplement, or waiver of any provision of the Terms of Auction will be made, except by Auctioneer's written revision or oral announcement at the Auction and from the block. If there is anything relevant to this Auction or the Terms of Auction that a Bidder does not fully understand, Bidder should immediately ask a member of Auctioneer's staff for assistance with the question.