

ABSOLUTE AUCTION

SELLING REGARDLESS OF PRICE!

Saturday, June 12th • 11:00 a.m.

Premier

WATERFRONT SUBDIVISION

24 Fully Developed Homesites
Selling Individually
and 38 Platted Sites Selling in 3 Parcels

Royal Oak

Yantis, Texas

Estates

on Lake Fork



JP KING
AUCTION COMPANY®

Auctioneers of America's Premier Properties



*Ideal underwater
have contributed
and Lake Fork
country's premier*

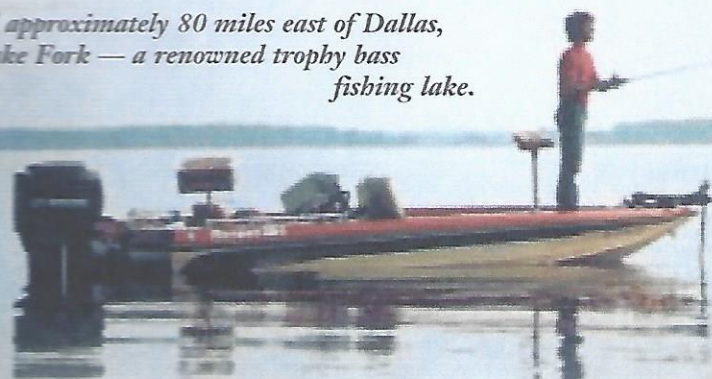
Waterfront living in an unparalleled setting

Build your waterfront retreat on one of 62 home sites located on 73+ acres at Lake Fork. Enjoy a peaceful lifestyle in a secure community where the simple pleasures include world-class bass fishing on Lake Fork.

Royal Oak Homesites Include:

- Single access entrance • Concrete curb and gutter streets
- Underground utilities

*Located approximately 80 miles east of Dallas,
on Lake Fork — a renowned trophy bass
fishing lake.*



*More than 65% of the Texas Top 50 largest bass
were caught from Lake Fork.*

Auction Information

Please contact the Auction Information

1-800-558-5464 • Fax: (256) 546-3311

AUCTION REGISTRATION & SALE SITE

Registration begins at 9:30 AM on auction day. Sale begins at 11:00 AM. The auction will take place on-site.

BUYER BROKER PARTICIPATION

A three percent (3%) commission will be paid to any properly licensed Buyer Broker who registers a successful buyer according to the Broker Participation Guidelines. Broker Registration Forms are available from the Auction Information Office. Forms must be completed and returned to us no later than 48 hours before the auction.

TERMS

A ten-percent (10%) down payment will be due immediately after being declared the buyer. The balance is due in cash at closing within 30 days.

BUYER'S PREMIUM

A ten-percent (10%) Buyer's Premium will be added to the winning bid price to arrive at the total contract price paid by the purchaser.

PROPERTY TOUR & ON-SITE

An auction representative will be available by day from 10:00 AM until 5:00 PM Monday through Friday, 10:00 AM until 5:00 PM on Saturday, and 10:00 AM until 5:00 PM on Sunday. You may contact the J. J. King Company directly at 903-383-3344.

INFORMATION PACKAGE

An extensive Property Information Package is available to assist the buyers in evaluating this property. Visit us at www.jjking.com. Click on the "Upcoming Auctions" button and the "Property Information" button.

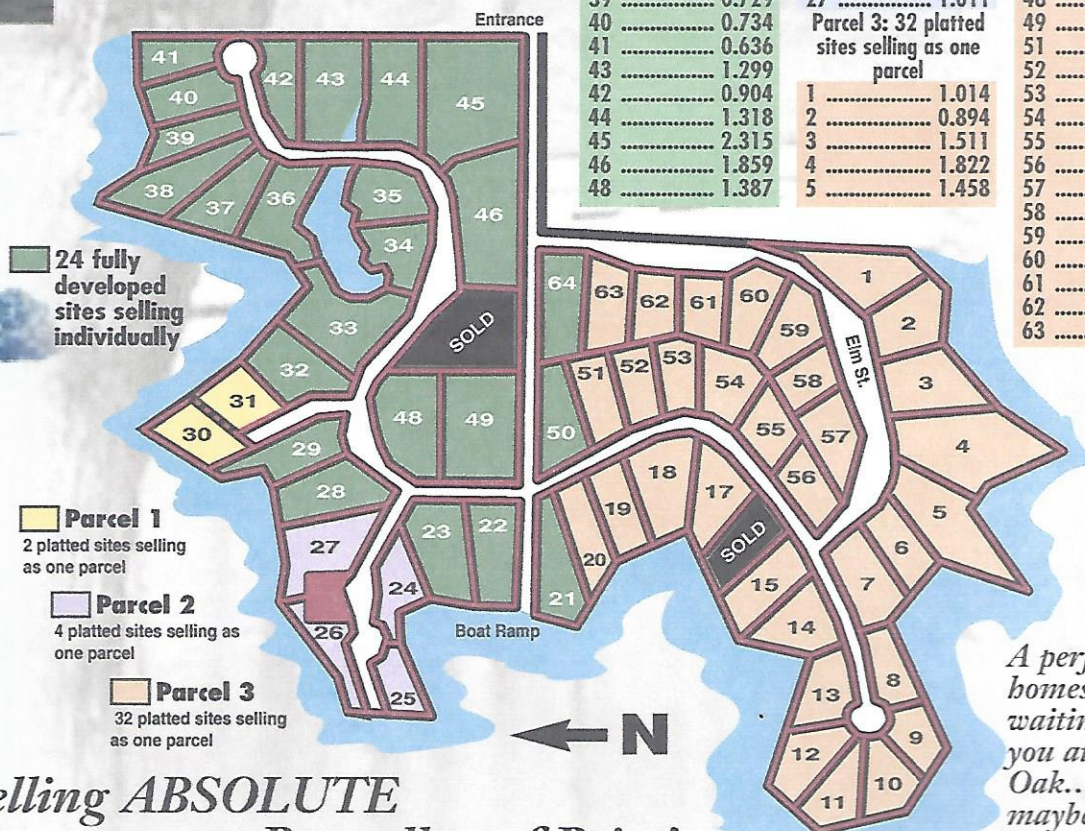
If you prefer, a printed version is available for express delivery (Visa/Mastercard accepted). For more information, call the Auction Information Office.

DIRECTIONS TO PROPERTY

From Hwy 69S at Emory turn east onto Hwy 1940 crossing Lake Fork Reservoir bridge. Turn left onto CR 1940 to gated entrance of property.

er structure and vegetation
d to a great habitat for bass
s development as one of the
er trophy bass lakes.

Royal Oak offers a most unique living experience and it's unlike anything you'll find anywhere else in Texas. It's a splendid example of lakefront luxury in a magnificent setting. The huge oaks that surround the reflection pool create the perfect atmosphere for relaxing.



Lot #	Acreage (±)	Lot #	Acreage (±)	Lot #	Acreage (±)
24 homesites selling individually		49 1.758		6 0.803	
21 0.940		50 0.979		7 0.934	
22 1.070		64 1.010		8 0.700	
23 1.052		Parcel 1: 2 platted sites selling as one parcel		9 0.598	
28 0.968		30 0.778		10 0.730	
29 1.043		31 0.704		11 0.815	
32 1.013		Parcel 2: 4 platted sites selling as one parcel		12 0.803	
33 1.804		24 0.893		13 0.722	
34 1.194		25 0.674		14 0.842	
35 1.122		26 0.717		15 0.902	
36 1.496		27 1.011		17 0.887	
37 0.849		Parcel 3: 32 platted sites selling as one parcel		18 1.111	
38 1.409		1 1.014		19 0.771	
39 0.729		2 0.894		20 0.775	
40 0.734		3 1.511		48 1.387	
41 0.636		4 1.822		49 1.758	
43 1.299		5 1.458		51 0.763	
42 0.904				52 0.667	
44 1.318				53 0.619	
45 2.315				54 0.794	
46 1.859				55 0.815	
48 1.387				56 0.833	
				57 0.812	
				58 0.624	
				59 0.801	
				60 0.789	
				61 0.657	
				62 0.714	
				63 0.847	

**All Selling ABSOLUTE
Regardless of Price!**

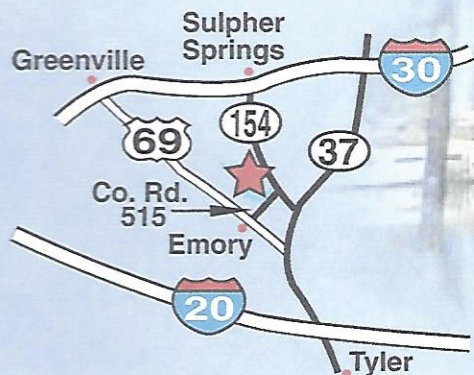
A perfect homesite is waiting for you at Royal Oak... and maybe the next trophy bass, too!

Office for further details regarding the auction and the property.

OFFICE
Beginning May 29th through auction
rough Saturday; 1:00 PM until
King Auction representative

Visit our website: www.jpking.com

PIP) has been prepared to
the PIP is available on-line
Events" section, the "More
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to receive a printed



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Auctioneers of America's Premier Properties

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Austin, Texas

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DISCLAIMER: Square footage dimensions and acreage amounts are based upon information provided by the seller and are believed to be correct; however, purchaser and/or purchaser's agent/broker shall bear the responsibility to confirm all calculations prior to the auction. Not available to residents of any state in which this real estate is not in compliance with the real estate laws or other laws of that state. Announcements made at the auction supersede all printed material. All information contained in this brochure was derived from sources believed to be correct but is not guaranteed. This brochure may not be reproduced in whole or in part without the written permission of Multi Media Advertising Agency, Inc.; WILLIAM SCOTT SWENSON, REAL ESTATE BROKER; JERRY CRAIG KING, AUCTIONER 10% BUYER'S PREMIUM



PRELIMINARY TERMS AND CONDITIONS OF SALE
"ROYAL OAK ESTATES"
YANTIS, TX
JUNE 12, 2004 @ 11:00 A.M. (CT)

J. P. KING AUCTION COMPANY, INC., through its Texas Broker, W. Scott Swenson ("Auction Company/Auctioneer") has a contract with Spence & Spence Developers, Inc. (individually and collectively the "Sellers"), to offer to sell twenty four (24) fully developed lots and thirty eight (38) partially developed lots within ROYAL OAK ESTATES. The Property is located in Yantis, Texas. The lots will be offered individually, in combination and/or as entirety. All lots will be sold to the highest bidder(s) at absolute auction regardless of price.

A. PROPERTY

1) Seller will convey the Property by General Warranty Deed free and clear of all liens and encumbrances except as specified in the Title Commitment and the Auction Real Estate Sales Contract.

2) The Property is selling subject to, and any **CONTRACT IS NOT CONTINGENT** upon, any state of facts an accurate survey or personal inspection of the Property may reveal, any existing rights-of-way, easements or claims to easements, encroachments, rights or claims of parties in possession, restrictive covenants and easements, flood zones, zoning or subdivision regulations, building codes, governmental agencies regulations, environmental conditions, lead-based paint, asbestos, radon gas, hazardous materials, any mineral rights, water rights, riparian or littoral rights, reservations or conveyances, and subject also to all title exceptions as set forth in the Title Commitment that is available for inspection.

B. PROPERTY INSPECTION

1) It is the Purchaser's sole responsibility to: (i) perform all inspections (legal, environmental, economic or otherwise) of the Property and improvements thereon and to be satisfied as to their condition prior to bidding; (ii) review all property information; (iii) independently verify any information they deem important including information available in public records; and (iv) inquire of public officials as to the applicability of and compliance with land use and environmental laws, zoning, building and health & safety codes and ordinances, and any other local, state or federal laws and regulations.

2) All information contained in the brochure and all promotional materials, including, but not limited to, square footages, acreage, dimensions, maps, taxes, etc., was provided by the Seller and is believed to be correct; however, neither the Seller nor the Auction Company makes any guarantee or warranty as to the accuracy or completeness of such information. Neither the Seller nor the Auctioneer is required to update any information. *Purchaser and/or Purchaser's Agent/Broker shall bear the responsibility to confirm all information relevant to the Property prior to bidding.*

C. PROPERTY DISCLOSURES

1) The Property/Lots are selling subject to all exceptions as listed in Schedule B of the Title Commitment, which has been posted at the auction.

2) The Property/Lots are selling subject to all easements and rights-of-way.

3) Seller shall convey any mineral, oil and/or gas rights as actually owned by Seller, if any. Some of the minerals have been severed on the property and therefore, the property is selling subject to these reservations, which includes ingress and egress to and from such minerals and the property.

4) Maps and depictions included in the marketing material are for illustration purposes only and are

not warranted or guaranteed by the Seller or J.P. King.

5) The Property/Lots are selling subject to the Second Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Royal Oak Estates and all amendments and by-laws as recorded in the County Clerk's Office of Wood County, Texas.

6) Purchaser will be responsible for obtaining any and all permits for the connection of all utilities as applicable, at Purchaser's expense. In addition, Purchaser will also be responsible for any and all utility connection fees, access fees, hookups, meters, etc.

7) Current homeowner association fees are \$120.00 per year per lot. These fees will be due from the Purchaser(s) at closing.

8) The Purchaser of Parcel #1 (Lots #30-31) will be responsible for assuming the developer's obligation as it relates to the installation and construction of the road to these two lots. The road shall be installed at Purchaser's expense and in compliance with or better than the standards outlined in the Wood County Subdivision Regulations, Chapter Five, Road Design Requirements, Section Six, Base and Surfacing.

9) The Purchaser of Parcel #2 (Lots #24-27) will be responsible for assuming the developer's obligation as it relates to the installation and construction of the road to these four lots. The road shall be installed at the Purchaser's expense and in compliance with or better than the standards outlined in the Wood County Subdivision Regulations, Chapter Five, Road Design Requirements, Section Six, Base and Surfacing.

10) The Purchaser of Parcel #3 (Lots #1-15, 17-20 and 51-63) will be responsible for assuming the developer's obligations as it related to the installation and construction the roads to these undeveloped Lots. Roads shall be installed at the Purchaser's expense and in compliance with or better than the standards outlined in the Wood County Subdivision Regulations, Chapter Five, Road Design Requirements, Section Six, Base and Surfacing.

11) The Lots within Parcel #1 (Lots #30-31), #2 (Lots #24-27), and #3 (Lots #1-15, 17-20 and 51-63) are platted lots within the subdivision; however, these lots are not fully developed.

12) The Seller shall transfer all developer rights, including all benefits, obligations, and common areas to the Purchaser of Parcel #3 (Lots #1-15, #17-20 and #51-63), which rights will be conveyed at closing. These obligations do not include the responsibility of the construction of the road to Parcel #1 and Parcel #2, as stated in the preceding sub-paragraphs. Upon transfer of such, the Seller, Spence & Spence Developers, Inc., will have no further obligations or responsibilities to the subdivision/development of the property.

13) The pond, which is situated on the Property, is not part of the common area. It is owned in fee simple interest by the owners of the lots adjoining the pond. The Purchasers of the adjoining lots shall equally share in the maintenance and upkeep of the pond.

14) A cemetery is located on the Property, as shown on the plat map.

15) Purchaser(s) will be required to contact the Sabine River Authority regarding installation of any pier or boathouse prior to construction. Purchaser(s) will be responsible for any permits and/or costs associated with a pier or boathouse.

16) There is a sales office situated on Lot #64, which will not be conveyed with the real estate. The Seller will remove the building and will be responsible for all cleanup to the lot, including the capping of all existing utilities at Seller's expense. The Seller shall have up to thirty (30) days after closing to remove the building.

D. BUYER'S PREMIUM

There will be a TEN PERCENT (10.00%) Buyer's Premium added to the winning bid to arrive at the Total Contract Price for the Property.

E. BIDDER REGISTRATION AND TERMS OF SALE

1) Bidders must register and receive a bidder's number in order to bid on the Property. This number must be presented when a bidder is declared the high bidder.

2) Upon being declared the final bidder, the Purchaser will be required to pay in U.S. funds an Earnest Money Deposit of no less than TEN PERCENT (10%) of the Total Contract Price of the Property to the Escrow Agent on auction day. The Earnest Money Deposit may be paid by personal or company check. The balance of the purchase price is due at Closing on or before **July 12, 2004**.

3) Bidder acknowledges that once a bid is offered, the Bidder shall be bound by the bid amount.

4) The confirmed Bidder (the "Purchaser") shall pay the required Earnest Money Deposit to the Escrow Agent auction day and shall execute and deliver a completed Auction Real Estate Sales Contract (the "Sales Contract"), together with all related Addenda. The fully executed Sales Contract (together with all related Addenda thereto) shall control all terms and conditions of the sale and constitute the entire agreement between Purchaser and Seller. In the event of a conflict between these Terms and Conditions of Sale and the Terms and Conditions of such Sales Contract, the Terms and Conditions of the Sales Contract shall prevail. **NO CHANGES TO THE TERMS OF THE SALES CONTRACT WILL BE PERMITTED. PURCHASER WILL BE REQUIRED TO ENTER INTO THE SALES CONTRACT "AS IS" ON AUCTION DATE.**

5) Any person bidding on behalf of another person or entity must have a valid Power of Attorney approved by Seller prior to the auction. If a Purchaser is bidding on behalf of a corporation, the bidder shall be individually bound until the bidder presents a corporate resolution prior to Closing.

6) If for any reason the Purchaser fails or refuses to deposit the required funds or to execute the Sales Contract immediately after being confirmed as the high bidder, the Seller reserves the right to declare the bidder's rights forfeited and may resell the Property.

7) This is a CASH SALE. This sale is not contingent upon Purchaser's ability to obtain financing.

F. AUCTION PROCEDURES

1) The Auctioneer reserves the right to offer these lots in any manner and the Auctioneer and Seller reserve the right to sell the lots in any manner they so desire. Individual purchases are to be considered as singular transactions and are not contingent upon the sale of other lots as purchased by the Purchaser(s) on sale day.

2) The lots will be offered in two rounds. In Round #1, the lots, as identified on the Auction Inventory, will be bid by the dollar and will be sold using the "High Bidder's Choice Method" (as designated by the Auctioneer).

3) Upon declaration by the Auctioneer, the high bidder has the right to select any lot within that designated grouping. Once a selection has been made, a new round of bidding begins with the highest bidder again choosing from all remaining inventory. The Auctioneer reserves the right to offer

other bidders the opportunity to select a lot at the last highest bid on a first come, first serve basis. **NOTE: If the high bidder selects Parcel #1 (Lots #30 & 31), the high bid price will be multiplied by two (2) to arrive at the total high bid price for this parcel; if the high bidder selects Parcel #2 (Lots #24-27), the high bid price will be multiplied by four (4) to arrive at the total high bid price for this parcel; if the high bidder selects Parcel #3 (Lots #1-15, 17-20, and 51-63), the high bid price will be multiplied by thirty-two (32) to arrive at the total high bid price for this parcel.**

4) In Round #2, the Bidders shall have the right to rebid any lot or regroup any of the lots, within that designated offering, subject to a five percent (5%) increase over the total price obtained in the lots to regroup or rebid. The bidding shall remain open for any lots or combination thereof until no further requests are received and the auction is closed by the Auctioneer.

G. PROPERTY IDENTIFICATION

The Lots are identified as lots 1-64, less and except Lot 16 and Lot 47 of the Royal Oaks Estate Subdivision of Wood County, Texas, according to the plat thereof as recorded in Volume 9, Page 226 and 227 of the Plat Records of Wood County, Texas. The front corners of the lots have been staked.

H. CLOSING COSTS

1) **Seller's Costs.** At Closing, Seller shall pay the fees for preparation of the General Warranty Deed, costs relating to the tax certificates, overnight courier fees on behalf of the Seller, homeowner association fees, and one-half of the escrow agent's closing fees.

2) **Purchaser's Costs.** At Closing, Purchaser shall pay the recording costs of the deed, overnight courier fees on behalf of the Purchaser, one-half of the escrow agent's closing fees, the premium for the owner's policy of title insurance with Wood County Title Company, and all additional sale or closing fees.

3) The current year's taxes shall be pro-rated between the Seller and Purchaser at closing. Seller will be responsible for all back taxes, if any.

I. CLOSING

Closing shall occur on or before **JULY 12, 2004**. All deposits and down payments shall be in U.S. funds and shall be held in a non-interest bearing escrow account by the Escrow/Closing Agent, pending completion of necessary Closing procedures, after which the Purchaser shall be granted possession of the Property subject to any matters contained in the Title Commitment and the Auction Real Estate Sales Contract.

J. ESCROW/CLOSING AGENCY

Closing will be at Wood County Title Company whose address is 228 West Broad Street, Mineola, Texas 75773; Telephone (903) 569-3863; Facsimile (903) 569-1924. The proceeds due from the Purchaser at Closing shall be in U.S. funds, bank cashier's check or confirmed wire transfer. The contact person is Cindy Martin.

K. LICENSED BUYER BROKER PARTICIPATION

A THREE PERCENT (3%) commission will be paid on the Total Contract Price for the Property sold to the qualified, licensed, real estate Buyer's Broker whose prospect pays for and closes on the Property in compliance with the Buyer's Broker Guidelines. The Broker must perform all requirements of the Buyer's Broker according to J.P. King's Buyer Broker Guidelines. The Broker and the prospective bidder must execute a Broker Registration form provided by J. P. King no later than **Thursday, June 10, 2004 at 5:00 p.m.** The Auction Company will maintain a complete file on all Broker registrations. A Buyer's Broker commission will be paid at Closing after the Auction Company has been paid in full. Brokers will not have to attend the Closing. If more than one Broker registers a prospect, only a single commission will be paid to that Broker with the earliest registration based on the actual time and date of

such registration received by the Auction Company. **Failure to properly register or comply with the provisions of the Guidelines will disqualify the Buyer Broker from receiving any commission.**

L. DISCLAIMER

1) PERSONAL ON-SITE INSPECTION OF THE PROPERTY IS RECOMMENDED AND BIDDERS ARE ADVISED TO INDEPENDENTLY VERIFY ALL INFORMATION THEY DEEM IMPORTANT. THIS PROPERTY IS BEING SOLD "AS IS, WHERE IS" AND "WITH ALL FAULTS." THE SELLER, BROKER AND AUCTIONEER HAVE NOT MADE, DO NOT MAKE, AND WILL NOT MAKE, AND HEREBY DISCLAIM, ANY REPRESENTATION OR WARRANTY, WHETHER EXPRESSED, IMPLIED, OR STATUTORY, WHETHER ORAL OR WRITTEN, WITH RESPECT TO THE PROPERTY, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY AS TO ITS VALUE, CONDITION, ACREAGE, SQUARE FOOTAGE, SUITABILITY, MERCHANTABILITY, MARKETABILITY, OPERABILITY, ZONING OR SUBDIVISION REGULATIONS, MINERAL RIGHTS, WATER RIGHTS, RIPARIAN OR LITTORAL RIGHTS, ENVIRONMENTAL CONDITION (INCLUDING BUT NOT LIMITED TO LEAD BASE PAINT, RADON GAS, ASBESTOS, MILDEW OR MOLDS), OR FITNESS FOR A PARTICULAR USE OR PURPOSE. NO GUARANTEES ARE GIVEN AS TO THE AVAILABILITY OF UTILITIES OR ACCESS, OR THE PERMITTED OR ALLOWABLE USES ON THE PROPERTY.

2) Neither the Seller, the Broker, or the Auction Company, or any of their respective attorney or agents, shall be liable to any Purchaser for any relief, including, but not limited to, damages, rescission, reformation, allowance or adjustments based on the failure of the Property, including, but not limited to, amount of acreage, square footage, zoning, and environmental condition to conform to any specific standard or expectation, or any third party documents or information.

M. AUCTIONEERS AGENCY DISCLOSURE

THE AUCTIONEER IS ACTING EXCLUSIVELY AS THE AGENT FOR SELLER IN THIS TRANSACTION AND IS TO BE PAID A FEE BY SELLER PURSUANT TO A SEPARATE WRITTEN AGREEMENT BETWEEN SELLER AND THE AUCTIONEER. THE AUCTIONEER IS NOT ACTING AS AGENT IN THIS TRANSACTION FOR THE PURCHASER. ANY THIRD PARTY BROKER IS NOT A SUBAGENT OF AUCTION COMPANY AND IS TO BE PAID BY THE SELLER.

N. EQUAL OPPORTUNITY CLAUSE

All bidding is open to the public. The Property is available to qualified Purchasers without regard to A prospective Purchaser's race, color, religion, sex, familial status, national origin, or physical handicap.

O. MISCELLANEOUS

1) All decisions of the Auctioneer are final as to the methods of bidding, disputes among bidders, increments of bidding and any other matters that may arise before, during, or after the auction. Seller reserves the right to deny any person admittance to the Auction or expel anyone from the Auction who attempts to disrupt the Auction.

2) The federal antitrust laws prohibit collusion among bidders in restraint of interstate commerce. The penalties for violating the federal antitrust laws include criminal fines, imprisonment, injunctions, compensatory damages and attorneys fees. Collusion between bidders to refrain from bidding at this auction or to limit the prices bid for the Property or any parcel or the Property offered for sale at this auction is strictly prohibited.

3) Any partner, shareholder or creditor of the seller may bid/purchase the property/lots under the same terms and conditions as any other bidder/ purchaser.

4) All announcements made Auction Day supersede any prior oral or printed statements.

**J. P. KING AUCTION COMPANY, INC., THROUGH ITS TEXAS BROKER W. SCOTT
SWENSON, IS SELLING AGENT ONLY AND MAKES NO REPRESENTATIONS
CONCERNING THIS PROPERTY WHATSOEVER.**