

## **HOW TO BID AT THE AUCTION**

### **THIS IS A LIVE AUCTION EVENT**

The property will be sold in a public auction authorized by the lender's designee that bought the property at a foreclosure sale from a duly appointed Substitute Trustee. The public auction will be conducted by professional auctioneers. The auction will be held on Tuesday, June 19th at 1pm in the hotel. Information regarding the property and the auction is available on the official auction website: [www.interstateauction.com](http://www.interstateauction.com).

Anyone may bid at the auction. The property will be sold for the highest bid which exceeds \$785,000. The property will be sold with an 8% buyer's premium added to the high bid to determine the purchase price. Immediately upon the conclusion of the auction, the high bidder will sign the Auction Purchase & Sale Contract (see website) and make an initial deposit of \$100,000 in the form of a cashier's or certified check payable to the purchaser and endorsed to the escrow agent. In order to bid, bidders must first give the \$100,000 cashier's or certified check to the auctioneer to hold prior to the opening bid (to be returned to all bidders except the highest bidder immediately upon conclusion of the sale). The high bidder must increase the initial deposit to 10% of the purchase price by wire transfer to the escrow account within 48 hours after the auction. Wiring instructions will be provided. The high bidder must complete the purchase (the closing) within 30 days of the date of the auction. The purchaser will be responsible for arranging the closing and paying all closing costs. Marketable and insurable title will be transferred by limited warranty deed from the lender's designee. Any outstanding property taxes will be prorated at closing.

The following website ([www.interstateauction.com](http://www.interstateauction.com)) is a source for information about the property and the auction provided for the convenience of potential bidders. All information on the website is believed to be correct, but is not guaranteed. The bidding process will be somewhat similar to live auctions you may have seen on television. Live collector car auctions conducted by Barrett Jackson are featured on the Speed Channel. Live antique auctions are often featured on PBS on the Antique Roadshow. Live auction events are exciting and entertaining and give buyers an opportunity to interact with the auctioneer and bid assistants. If you have never attended or participated in a live auction event, you may want to attend one of our upcoming auctions or watch one on television or over the internet.

### **INSPECT THE PROPERTY**

The property will be sold "as-is, where-is" and with all faults. All bidders are encouraged to inspect the property prior to bidding. Inspections may be arranged by contacting David Butchello at Cushman Wakefield Thalhimer: (757) 254-1746 [david.butchello@thalhimer.com](mailto:david.butchello@thalhimer.com) A final, open-house inspection is scheduled for the day of the auction, Tuesday, June 19<sup>th</sup>, starting at 10:00 am. Bidders may engage a licensed real estate agent to help with the process. If you utilize a buyer's agent, your agent must register you in advance, and in accordance with the Terms and Conditions (see website), in order to get paid a commission. The registration forms and rules are available on the website.

## **REVIEW ALL THE INFORMATION ON THE WEBSITE**

The auction website is the central source for information for the property being auctioned. You should review all the information on the website and conduct your own research and inspection prior to bidding. Information is being added and changed daily. It is important to check the website for the latest available information. Copies of the Auction Purchase & Sale Contract and other important information are available or will be on the website.

## **REGISTRATION**

When you arrive at the auction, you will be asked to register. During registration you will need to show a picture ID to verify your identity. You will be required to show that you have the required initial down payment in the form of a \$100,000 cashier's check payable to you in order to bid. You will be asked to sign the Terms & Conditions/Bidder's Affidavit document featured on the auction website. This document confirms that you understand and agree to the terms and conditions of the auction. When you have completed the Bidder's Affidavit, you will be given a bid card with a bid number on it. This is your official ticket to bid and buy the property offered in the auction. If you have any questions, please consult the auctioneer or broker, and get your information from them, not other bidders who will be competing with you later during the auction. The bid assistants may ask you for an opening bid to start the auction. You are not required to provide an opening bid. The decision is entirely up to you.

## **ANNOUNCEMENTS**

The auctioneer will read the terms and conditions for bidding, explain the bidding process, and introduce the auction team and brokers just prior to opening the bid. The bidding will start with the minimum acceptable bid of \$785,000 and proceed competitively until no further advances are made, and the auction is concluded by the auctioneer. Additional terms may be announced by the auctioneer at the sale.

## **BUYER'S PREMIUM, PURCHASE PRICE AND DOWN PAYMENT**

An 8% buyer's premium will be added to the high bid to arrive at the purchase price. For example, if the high bid is \$1,000,000 the buyer's premium would be \$80,000 and the purchase price would be \$1,080,000. Keep this in mind as you bid during the auction. The high bidder will be required to sign the Auction Purchase & Sale Agreement and make the required \$100,000 initial down payment immediately upon the conclusion of the auction. The cashier's or certified check must be made payable to the purchaser and endorsed to the escrow agent. The down payment must be increased to 10% of the purchase price (high bid plus buyer's premium) by wire transfer to the escrow agent. The purchaser is required to arrange closing, pay for the closing costs, if any, and conclude closing within 30 days of the auction.

## **TITLE TO THE PROPERTY**

Title to the property will be conveyed by limited warranty deed. Documents containing title research for the real property are provided on auction website. The information contained on the website is provided for the convenience of bidders but is not guaranteed by anyone to be accurate, correct or complete. Bidders should conduct their own inspection and do their own research for all aspects of the property.

## **BIDDING DURING THE AUCTION**

After the announcements, the auctioneer will open the bidding. Relax. Our experienced team won't take your bid if you are simply yawning, stretching or waiving to a friend. If a mistake is made, simply let us know immediately and we will resume with the previous bid. The bidding will start with the minimum acceptable bid and any higher bids received prior to the start of the auction. The live bidding normally takes 5 to 10 minutes. It could go faster or slower depending on the activity of the bidders. The auctioneer will use good faith efforts to proceed slowly and carefully to ensure that everyone has a fair chance. Don't wait until the last second to place your bid, because it might be missed. The auctioneer may resume or continue the bidding, in the auctioneer's sole discretion, if the auctioneer determines that a bidder is placing a bid as the auctioneer is concluding the auction. Once the auctioneer cries "sold" the auction is over. We will give each bidder a fair chance and ample time to make their bidding decision. Bidding in an auction can be very competitive. When properties are being auctioned, bidders are trying to win and get the best possible price. A lot of equity is at stake. When you are the high bidder and everyone else stops bidding against you, and the auctioneer ends the auction, and you have won the bidding. Some people believe that (i) the best way to win the bidding is to convince other bidders that you are prepared to go the distance to win and fully intend to be the high bidder; (ii) the best way to signal that you intend to win is to open the bidding at a reasonable level, and quickly re-establish yourself as the current high bidder whenever a bid is made against yours (this shows your strength as a bidder and puts the pressure on the other bidder); and (iii) bidders will frequently watch each other for signs that the other bidder is near their personal limit (being hesitant in your bidding can be perceived as a sign that you have reached your limit and this often encourages the other bidder to go a little higher). We recommend that you set some limits for yourself prior to the auction, and quickly re-establish yourself as the high bidder whenever a bid is placed against you, until you all competing bidders drop out or you reach your personal limit. When the bidding has ended, the auctioneer will announce that the auction is over.

## **CONCLUSION OF THE AUCTION**

Immediately upon the conclusion of the auction, the high bidder will sign the Auction Purchase & Sale Agreement and make the required initial down payment of \$100,000. We will provide the high bidder with a copy of pertinent documents after they are signed. We will also provide wiring instructions. All down payments are non-refundable and will be forfeited if the purchaser does not close by the closing date.

## **CLOSING**

The purchaser will have 30 days after the conclusion of the auction to pay the balance of the purchase price (high bid plus 8% buyer's premium, less any down payments made to the escrow agent). This is a cash sale and is not dependent upon financing from any sources. Purchasers may utilize financing, but the purchase is not contingent upon financing. The purchaser will be responsible for, among other things, the purchaser's attorney costs if any, and all closing costs associated with this transaction.

## **POSSESSION OF THE PROPERTY**

The purchaser will be given possession of the property at closing.