

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

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

The property will be offered in a live auction conducted by professional auctioneers. The date, time and location are available on the auction web site: [interstateauction.com](http://interstateauction.com) or [svniac.com](http://svniac.com). The website is the official source for information about the auctions. The process will be 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. If you are unable to attend the live auction you may bid on-line over the internet. If bidding on-line, you will need to register in advance of the auction, and provide a credit card. A link for on-line bidding is featured on the auction website along with instructions for registration and bidding.

### **INSPECT THE PROPERTY**

The property will be sold "As Is". All bidders are required to inspect the property prior to bidding. Open house inspection dates are scheduled for most improved properties. All properties are also available for inspection by appointment with Sperry Van Ness or the local listing agents featured on the auction website. You may also hire a buyer's agent to help you with the process. If you utilize a buyer's agent, your agent must register you in order to get paid. The registration forms and rules are available on the website.

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

The official auction website is the central source for information for the properties we auction. You should review all the information on the auction website prior to bidding. Information is being added and changed when necessary up until the time of the auction. It is important to check the website for the latest available information. Property information, purchase and sale agreements, other important information is available on the website.

### **LIVE-AUCTION REGISTRATION**

The live auction event will be held at the Chattanooga Convention Center located at 1150 Carter Street, Chattanooga, Tennessee. Registration for the auction starts at 6:00 pm. When you arrive at the auction, you need to register in order to bid. During registration you will need to show a picture ID to verify your identity. You will need to show that you have the required \$2,000 cashier's check payable to yourself for each property you intend to purchase. (You will keep the check until you make your earnest money deposit after signing the Auction Purchase and Sale Agreement.) 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 a property offered in the auction. After you have registered, you might want to help yourself to refreshments, review the diligence information, and choose a seat. The bid assistants will introduce themselves and be available to help answer questions about the bidding process and the property being auctioned. If you have any questions, please find a member of the auction crew 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 introduce the auction team, and review the terms and conditions of the auction, just prior to the start of the auction.

## **BUYER'S PREMIUM, PURCHASE PRICE AND EARNEST MONEY DEPOSIT**

A 10 percent buyer's premium will be added to the high bid to arrive at the purchase price. For example, if the high bid is \$100,000 the buyer's premium would be \$10,000 and the purchase price would be \$110,000. Keep this in mind as you bid during the auction. The required earnest money deposit is 10% of the purchase price. In this example, the earnest money deposit would be \$11,000. The balance of the purchase price (\$99,000) would be due at closing.

## **ABSOLUTE AUCTION, PUBLISHED MINIMUM ACCEPTABLE BIDS**

All of the properties are being offered at Absolute Auction. Absolute Auction means the properties will be sold to the highest bidders regardless of the prices. The seller's for the auctions have agreed to accept the high bid and sign the auction purchase and sale agreement, no matter what the high bid amount is. The sellers for all of the properties are highly motivated and expect discounted prices.

## **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 any bids received prior to the auction. Normally, we have several bids at the start. The actual bidding normally usually takes 3 to 4 minutes per property. The auctioneer will be calling the bids with an auction chant. The chant varies by auctioneer, but normally includes the current bid, some filler words and the bid the auctioneer is asking for. For example, the chant might sound like: "We have six hundred thousand, anybody bid seven, now seven, let me see seven, how about seven hundred thousand?" The bid will be somewhat slower than you might hear at a tobacco or wholesale car auction, but will be about the same as what you might hear in an antique, collectable car, or art auction on television. If you have any difficulty understanding what the bid is, ask your bid assistant. The best way to bid is to hold up your bid card so the auctioneer and bid assistants can see it. If you have established eye contact with the auctioneer or bid assistant, you may also nod, or verbally affirm a bid. Don't wait until the last second to place your bid, because it might be missed. 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, you have won the bidding. 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. The best way to signal that you intend to win is to open the bidding at a reasonable level, and quickly reestablish 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. Bidders will frequently watch each other for signs that the other bidder is near their personal limit. Being hesitant in your bidding is a sign that you have reached your limit. This hesitation encourages the other bidder to go a little higher. We recommend that you set some limits for yourself prior to the auction, and bid vigorously until you reach your personal limit. When the bidding has ended, the auctioneer will announce that the auction is over. At that point we record the high bidder’s number and the 2<sup>nd</sup> high bidder’s number. If you are the 2<sup>nd</sup> high bidder, you are under no obligation, but we may contact you if the high bidder does not consummate the purchase.

#### **HIGH BID ACKNOWLEDGEMENT**

After winning the bid, you will be required to sign a High Bid Acknowledgement card. The card is a paper record showing the high bid, buyer’s premium, and total purchase price, along with your bidder number. You will be given a copy of the card. The information on the card will be used to complete Auction Purchase and Sale Agreement.

#### **CONCLUSION OF THE AUCTION**

A Contract Room will be set up near the auction ballroom. If you are a high bidder, please go to the Contract Room after you are done bidding for the day. Check in with the manager at the contract room and let them know you are ready to complete the Auction Purchase and Sale Agreement(s). Representatives from Title Guaranty and Trust will complete the Auction Purchase and Sale Agreement with the high bid, buyer’s premium, and the purchase price. You will then sign and complete the Auction Purchase and Sale Agreement and make the required 10% earnest money deposit. The deposit will consist of a \$2,000 cashier’s check made payable to you and endorsed to Title Guaranty and Trust and a personal check for the balance of the 10% earnest money deposit. You will receive a copy of all documents. The seller will have until 5:00 pm, Thursday, November 19<sup>th</sup> to sign the auction purchase and sale agreement. A signed copy of the Auction Purchase and Sale Agreement will be sent to you as soon as it is available.

#### **CLOSING**

You will have 30 days to consummate (close) on the purchase. All closings will be conducted at the offices of Title Guarantee and Trust. You are responsible for scheduling your closings with the closing agent. This is a cash sale and is not dependent upon financing from any sources. You may use financing, but your purchase is not contingent upon you being able to get financing. The purchaser will be required to pay the balance

of the purchase price at closing. Taxes will be prorated at closing. Rents and operating expenses (if applicable) will be prorated. The seller will pay the real estate commissions. The seller may not attend the closing. Documents will be couriered to the seller for execution. All closing costs, including courier fees, will be paid by the purchaser. A schedule of closings costs is available on the auction website.