

## **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) and [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.

### **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 listing 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 websites prior to bidding. Information is being added and changed when necessary. It is important to check the website for the latest available information. Copies of the purchase and sale contracts and other important information is available 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. If a cashier's check or cash is required for any portion of the down payment, we will ask you to show that you have the necessary funds with you. 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 today's auction. After you have registered, you might want to pick 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 DOWN PAYMENT**

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 down payment will be equal to the buyer's premium. The balance of the purchase price (\$100,000) would be due at closing. If the property is being sold subject to seller confirmation, and the seller does not confirm or accept the high bid, your down payment will be promptly returned to you.

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

Properties being offered at Absolute Auction will be sold to the highest bidder regardless of the price. The seller's for the absolute auctions have agreed to accept the high bid and sign the auction purchase and sale agreement, not matter what the high bid amount is. On properties with published, minimum acceptable bid amounts, the sellers have agreed to accept any high bid at or above the high bid amount. Any properties being auctioned that are not being offered at "absolute auction" or without a published minimum acceptable bid are being offered subject to confirmation by the seller. The sellers for all of the properties are highly motivated and expect discounted prices. Please check the website to see if a property is being sold at Absolute Auction, with a published minimum acceptable bid amount, or subject to confirmation by the seller.

## **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 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 you 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. During the auction 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 often 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.

### **CONCLUSION OF THE AUCTION**

After the bidding has been concluded, the auction company will fill in the high bid, the buyer's premium, and the purchase price. The high bidder will sign the auction purchase and sale agreement and make the required down payment. We will provide the high bidder with a copy of all documents. The seller will have 2 full business days to sign the auction purchase and sale agreement. A signed copy of the Auction Purchase and Sale Agreement will be sent to the purchaser as soon as it is available.

### **CLOSING**

The purchaser will have 30 days to consummate (close) on the purchase. 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 entire purchase price, which includes the buyer's premium, at closing. Taxes will be prorated at closing. The seller will pay the real estate commissions. The seller will 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. The purchaser is responsible for arranging the closing for this sale.