

HOW TO BID AT THE AUCTION FOR REAL ESTATE

THIS IS A LIVE AUCTION EVENT

The auction will be held on Thursday, June 25, 2015 at 1:00 pm local time. The auction will be held at the property. Registration for the real estate auction will begin at 12:00 pm. The property will be available for inspection by appointment prior to the auction. The auction will be a live, open-outcry auction conducted by professional auctioneers with Sperry Van Ness.

FAMILIARIZE YOURSELF WITH THE BIDDING PROCESS

The process will be similar to live auctions you may have seen on television. Automobile auctions conducted by Barrett Jackson are featured on the Speed Channel. 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. The auctioneer will review the rules for bidding at the auction prior to the start of the auction.

INSPECT THE PROPERTY

The property will be sold “As Is” with all faults and without any warranty whatsoever. The seller will not be responsible for making any repairs or replacements. All bidders are required to inspect the property prior to bidding. Bidders may inspect the by appointment and on the day of the auction prior to bidding. You may hire an inspector or real estate agent to help you with the process. If you utilize an inspector or buyer’s real estate agent, you will be responsible for any compensation to your inspector and/or agent for the inspection. Buyer’s agents will be paid a fee at closing equal to 2% of the high bid amount if they register their buyer by 5:00 pm on Wednesday, June 24, 2015. Buyers’ agents must use the Broker Registration Form provided on the auction website and the Broker Registration form must include complete information for the buyer and broker as well as their signatures. Buyer agent registrations will not be permitted on the day of the auction. No buyer’s agent fee will be earned or paid if the property does not close.

REVIEW ALL THE INFORMATION ON THE WEBSITE

The official auction website at www.interstateauction.com is the central source for information for the property being auctioned. You should review all the information on the websites prior to bidding. Information on the auction website will be 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. You will also be required to show a \$50,000 cashier’s check payable to yourself or the buying entity or other check approved

by the auctioneer. You will be able to assign the contract at closing and close in the name of an LLC or other entity created to own the property. If you are the high bidder at the conclusion of the auction, you will endorse the check to Sperry Van Ness Interstate Auction Company to be used for the earnest money. 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. 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, conditions and rules 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 \$1,000,000 the buyer's premium would be \$100,000 and the purchase price would be \$1,100,000. Keep this in mind as you bid during the auction. The required earnest money deposit is \$50,000. The deposit will be applied to the purchase price at closing.

RESERVE AUCTION

The seller will have the right to accept or reject the high bid from the auction. The offer from the high bidder will be open for acceptance until Monday, June 29, 2015 at 5:00 pm. If the offer is not accepted by the seller, the down payment will be refunded to the buyer.

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 process is expected to take less than 15 minutes. 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 next bid the auctioneer is asking for. For example, the chant might sound like: "We have ninety thousand, anybody bid ninety one, now ninety one, let me see ninety one, how about ninety one 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 could easily be missed and not counted. 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. When a bid is made above yours, bid quickly to immediately reestablish yourself as the current high bidder. 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 2nd high bidder's number. If you are the 2nd 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 on the Auction Purchase and Sale Agreement. The high bidder will sign the auction purchase and sale agreement and make the required initial down payment. We will provide the high bidder with a copy of all documents. The seller will have until 5:00 pm on Monday, June 29, 2015 to accept or reject the high bid. If the high bid is approved by the seller, 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. Credit will be given for the down payment. Taxes will be prorated at closing. The buyer will not be responsible for any back taxes. The seller will pay the real estate commission. All closing costs, including courier fees, will be paid by the purchaser. The purchaser is responsible for arranging the closing for this sale.

POSSESSION OF THE PROPERTY

Possession of the property will be given to the purchaser at closing. Purchaser may not work on or maintain the property or show it to potential buyers or tenants until after the sale has closed.