

FREQUENTLY ASKED QUESTIONS

Familiarity leads to smooth transactions. We want you to be familiar and comfortable with LASTBIDrealestate.com and the online auction process and make sure that all your questions are answered so that your experience buying real estate at online auction is a positive one. We are asked many questions and have put together this list so that you have the answers and familiarity you need to be an informed, confident bidder. We want to provide you with a smooth transaction, meeting and exceeding all your expectations!

HOW DO I REGISTER?

Registration is simple. Just go to our website and click the Registration link. You will be asked for some information to create your profile, username, and password. Once you have completed this process, you are able to bid.

DO I NEED TO REGISTER FOR EACH ONLINE AUCTION?

You need only to register once for our online auctions. At that time you will chose a username and password which is good for all of our online auctions. Occasionally, on high profile properties, we may require pre-approval for bidding, but you will not need to re-register.

IS MY INFORMATION SAFE?

Yes. Our system is fully encrypted and personal information and credit card information are kept in completely different systems. We do not sell our lists to anyone. Your contact information will only be used by our staff if you are the high bidder.

WILL I AUTOMATICALLY BE PLACED ON ANY LISTS BY REGISTERING?

No. You must choose to receive notifications about our auctions. This can be done when you register on our online system or by calling our office and requesting to be added to our postal and email lists.

CAN I INSPECT THE PROPERTY?

All properties have pre-arranged public inspection times at which occasion you are welcome to bring any inspectors or advisors you wish. Times are published on our website for each property.

HOW DO I PLACE A BID?

Once you have registered and have your username and password, simply click on the Bid Here link for the property. You should review the terms of the auction and accept them and then you are able to access the bidding screen. You may enter your maximum bid and allow the computer to bid for you as needed, or enter the next incremental bid and watch the progress of the auction yourself. The choice is yours.

WHAT IS A BID INCREMENT?

A bid increment is the required raise in bid price. For example if the current bid is at \$50,000 and the bid increment is \$1,000, the next acceptable bid would be \$51,000 or more.

CAN I BID ON MORE THAN ONE PROPERTY AT A TIME?

Yes. However it is important to note that each auction is singular in nature, not contingent on any other sale of property, and if you are the high bidder on multiple properties you will be responsible for the purchase of each property.

CAN I CANCEL MY BID?

No. Bids are final in nature and non-retractable.

CAN SOMEONE ELSE BID FOR ME?

Yes. However to do so, they must have a document which appoints them as an Attorney-in-fact or be a legal agent for you. It is not legal for anyone to receive compensation for such services unless they are a licensed real estate broker.

I WON'T BE BY A COMPUTER ON AUCTION DAY, CAN I STILL BID?

Our system is set up so that bidders may leave an unrevealed, absentee bid on the property at any time in the event that they will not be near a computer on auction day. On auction day, the computer opens that bid and enters the minimum on behalf of the bidder. As other people bid throughout the day, the computer will enter more bids on a person's behalf up to the maximum bid amount they have entered.

WHY DOES THE BIDDING CONTINUE PAST THE CLOSING TIME?

Scheduled ending times are stated in the bidding area for each property. Our system is a dynamic bidding, anti-sniping type system, meaning that if someone bids within the last 10 minutes of the auction, the auction will go into an overtime period and will extend ten minutes past the stated end time. If someone bids within that overtime period, the auction will extend another 10 minutes and so on until there has been a 10 minute overtime period without bidding activity. We believe this is the fairest way to make sure all parties have an opportunity to bid and don't lose out in the last few seconds because of a slow internet connection or computer issue. The key to the dynamic bidding feature is that the auction extends from the preset closing time in 10 minute intervals, not 10 minutes from when you placed your bid.

IS THIS AN ABSOLUTE AUCTION?

Some Auctions are conducted absolute, with no minimums or reserves and will be specifically stated as such. Unless specifically stated as an absolute auction, the high bid is subject to acceptance or rejection by the seller. We strive to offer only properties which we are confident will sell. We screen our sellers to make sure that they are motivated. Many properties have bank committees, lenders, courts, or trustees which must approve the transaction (or short sale if that is the case). Due to these circumstances, along with the many other issues associated with a real estate transaction, properties are sold subject to acceptance or rejection of the high bid by the seller.

WHAT IS A BUYER PREMIUM?

A buyer premium is a transaction fee added to the high bid, paid by the buyer as part of the Auctioneer's compensation. For example, a bid of \$100,000 and buyer premium of 10% will result in a purchase price of \$110,000. The buyer premium and deposit are unrelated.

I WAS THE HIGH BIDDER, NOW WHAT HAPPENS?

You will be contacted by a LASTBIDrealestate staff within 24 hours to coordinate execution of the purchase documents and the down payment on the property. We will then contact the seller for confirmation of the sale and coordinate their execution of the Buy/Sell agreement within 3 business days. Your down payment will be deposited in escrow. You will have 30 days to arrange closing on the property.

WHAT IS THIS PROPERTY "WORTH?"

There are many indicators of value but the true measure of any property's value is in what a buyer feels the property is worth to them. Some people use Equalized Values or Appraisals or comparable



property sales to determine value but many factors are not always addressed in these figures such as sentimental value, environmental concerns, adjoining land owners, changes in market conditions, 1031 exchange needs, and a host of other factors all of which can have positive or negative influences on value. An auction with competitive bidding is the purest form of price discovery and indicator of value.

DO I GET MARKETABLE TITLE?

Yes. All properties are transferred by deed with a title insurance policy. Most properties will come with a warranty deed. Occasionally, some properties will come with another type of deed such as a covenant deed or trustee's deed.

DO I GET TITLE INSURANCE?

Yes. Title insurance is provided to the buyer by the seller at the seller's expense.

WHO PAYS TAXES?

We deal with many different sellers and properties so taxes get handled in a number of different ways. Any prior year's taxes are paid by the seller. The current year taxes due before the auction are usually paid by the seller and taxes due after the auction are usually paid by the buyer. Sometimes the current year taxes are prorated. Each property has specific information as to who will be paying what taxes and should be reviewed for familiarity.

HOW MUCH IS MY DEPOSIT?

A deposit is required immediately after the auction from the successful bidder. Each property is different but most properties require a deposit of \$5,000 or 10% of the purchase price, whichever is greater. Each property has specific information detailing the deposit requirements and should be reviewed prior to bidding.

CAN I USE A CREDIT CARD FOR THE DOWN PAYMENT?

No. Due to final nature of a real estate auction, down payments must be in the form of cash, check, or other verifiable funds. In addition, most lenders treat credit card down payments as borrowed funds and will not allow them when financing a real estate transaction.

CAN I USE A BANK TO FINANCE MY TRANSACTION?

Yes. We recommend getting pre-approved by your financial institution, however, as an inability to get financing is not a contingency of the auction.

HOW LONG DO I HAVE TO COMPLETE THE TRANSACTION?

Down payments and completed buy/sell agreements are due within 48 hours. Buyers have up to 30 days after the auction to close on the property.

DO I GET KEYS?

Keys and access to the property are provided at closing. If you have a professional (appraiser, inspector, etc.) who needs to enter the property, they should contact our office to coordinate access to the premises.

CAN I DO A 1031 EXCHANGE?

Yes. We can work with you to help accommodate a 1031 property exchange. You should consult your tax advisor to see whether the property you are interested in qualifies for your circumstances.