

# REAL ESTATE AUCTION

## Standard **TERMS & CONDITIONS**

01 Sep 06

For information on any properties advertised at auction, contact our auctioneers:

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*These terms & conditions focus on matters related to the sale of real estate at auction by Price Real Estate & Auction Service (PRA) & are **in addition** to basic terms & conditions available at the registration area & on bidder cards, etc. or **any special terms & conditions that may apply (as published or announced)**.*

**NOTE:** The terms "BIDDER(s)" & "BUYER(s)" are prominent in these terms & conditions. While similar & often used as the same, "**BUYER**" refers to the "**BIDDER**" announced by registered number at the time the auctioneer pronounces a tract or combination or property as "SOLD."

We welcome & encourage questions at any time from registered BIDDERS & BUYERS.

### 1. BIDDERS/BUYERS Acknowledgment

**By accepting a bidder number/card, you agree to the terms & conditions stated on all terms & conditions postings, during announcements & as described herein.**

This document is preliminary to the non-contingent contract of sale to purchase property sold at auction. **In the event of any conflict between this document & the purchase contract, the purchase contract prevails.**

This is a public offering open to all financially & legally qualified buyers without regard to race, color, sex, religion, handicap, national origin or familial status. In addition to these "protected classes," various state & local laws protect other individuals & groups from discrimination. PRA & our Clients adhere to all such laws. **SEE Fair Housing Notice**

PRA & all PRA licensees & representatives are **Exclusive Right to Sell** agents for & normally **represent ONLY the Seller**.

BUYERS will sign an agency disclosure statement acknowledging this relationship.

2. All **auction day announcements supersede** any printed material or any other statements made previously. Any announcement made from the auction stand takes **precedence over any material presented herein**. Many properties have special provisions that are available at the registration area &/or from the auctioneers or other staff members.

3. **Registration:** Although there is no obligation to bid, In order to bid & buy at this auction, all **BIDDERS** must register (at the designated area) by providing appropriate identification & receiving a bidder number/card.

By registering & accepting a number, all **BIDDERS** agree to abide by all of these terms & conditions as well as the basic &/or special terms & conditions.

### 4. Date/Time/Place

The auction will begin promptly at the appointed time & place (very few auctions are postponed due to weather, etc.). A round of bidding begins when the auctioneer completes the required announcements & calls for bids. The round concludes with the declaration of "sold."

## 5. Purchase Contract & Earnest Money Deposits

### **THIS IS A CASH ON DELIVERY OF DEED TRANSACTION.**

When you are a successful **BIDDER/BUYER**, you enter into a non-contingent contract & provide earnest money in cash or check to **PRA** for **IMMEDIATE** deposit into the **PRA** non-interest bearing trust account.

The total **earnest money deposit due is as published in advertising, flyers, on the Internet, etc.** and applies towards the purchase price at closing/settlement.

This **earnest money deposit is non-refundable** to the **Buyer** and **forfeited** if the **Buyer** fails to close on the property within the time allowed by the purchase contract. Additional **BUYER** responsibilities, obligations, costs & consequences could arise from such a breach of contract.

6. **THERE ARE NO CONTINGENCIES REGARDING FINANCING, SALE OF OTHER PROPERTY OR ASSETS, AVAILABILITY OF FUNDS, REVIEW OF DOCUMENTS, INSPECTIONS, APPROVAL(s) BY OTHERS, ETC.** **BUYERs** contract to provide the entire purchase price on or before the published closing date ---- PERIOD.

## 7. Deed, Title, Legal Description (survey)

The Seller provides an appropriate deed with release of dower, etc. subject to all respective easements, rights of way, leases, licenses, etc. While we anticipate no title or transfer problems, it is the **BUYERs' responsibility & cost** to arrange for title examination or title insurance.

If a new survey is required, the Seller coordinates the required survey work. The Seller ensures completion of a survey & provides the related legal description.

**When combinations of individual tracts are sold, the Seller may choose to provide a survey/description of only the boundary or perimeter of the contiguous (adjacent) tracts.**

Drawings & plats provided in promotional materials are "draft" & the actual size & dimensions are subject to final survey completion. Stakes & flags are approximate. When tracts are sold by the acre, purchase prices are adjusted to reflect final survey results. Otherwise, tracts are sold "more or less" regarding the preliminary dimensions/size.

**The cost of any survey work may be shared with the **BUYERs** as published/announced.**

8. **Auction Types** Properties may be offered through any of these **3** auction methods:

a. **Absolute**

After the auction commences, the property will be sold to the highest bidder.

b. **With Reserve**

Property will sell to the highest bidder at or above a published minimum selling price.

c. **With Reserve & Subject to Confirmation**

Property sells to the highest bidder at a price accepted (confirmed) by the Seller(s).  
**Seller(s) may wait until the bidding ends to accept, reject or counter-offer the bid.**

## 9. **Multi-Parcel Process**

When this process is used, **bidding remains open** on all individual tracts, lots or parcels, combinations or the entire property **until pronounced, "Sold"** by the auctioneer.

## 10. **Buyer's Choice/"Pick of the Litter"**

Properties with multiple parcels, lots or tracts may be sold by the Buyer's Choice method. The high bidder in each auction round will have choice of any of the properties which remain unsold.

## 11. **Real Estate Taxes, Rents, Government Programs (CAUV, CRP, etc.)**

Handling these items **varies widely** among properties & auctions. Often, such items are pro-rated. However, these items are subject to different configurations based on Seller circumstances. Consult published information & announcements for clarity regarding these important considerations.

## **12. Conditions of the Auctioneer**

The **Auctioneer's decision is final** in the event of a dispute over any auction matter.

**PRA** complies with all federal, state & local laws regarding buying & selling property.

The Seller & **PRA** reserve the right to **withdraw** any property or portion of the property from the auction (prior to the start of the auction) without notice & without penalty.

**PRA** reserves the right to accept bids in any **increment** deemed by **PRA** to be in the best interest of the seller & reserves the right to waive or adjust any previously announced increment requirements.

**PRA** reserves the right to bid on behalf of any buyer who makes the appropriate "absentee bidder" arrangements.

**PRA** personnel may bid for their own account.

**Offers** are welcome prior to the auction.

**All** purchase offers/contracts will be presented to the seller for **consideration**.

**PRA** may elect to ask bidders to submit offers if the auction is cancelled or the minimum bid is not obtained.

**PRA shall be held harmless by buyer(s) & seller(s) should the property fail to go to settlement for any reason.**

## **13. Property Inspection**

Most properties are held open prior to the date of the auction, are available for your inspection by appointment & on the day of the auction at least one (1) hour prior to the time of the auction.

**14. Property Information** provided by **PRA** & the Seller is believed accurate; however, it is **not guaranteed** & there are **no warranties** expressed or implied.

**BUYERS must rely on their own inspection, research, analysis, calculations, etc. regarding the physical & legal characteristics of the property.**

The Seller, **PRA** & **PRA agents** shall not be held liable for any errors or omissions regarding auction property.

**BUYERS** assume responsibility to check with the appropriate authorities regarding the **property's zoning, taxation, participation in government programs (CAUV, CRP, etc.), environmental considerations, flood or other insurance, etc.**, current or future intended use as well as any restrictions, covenants or costs affecting the property.

**BUYERS** have the right to -- & should -- examine (prior to bidding) any **applicable county master plan, any municipal land use plans & maps** for the area in which the property is located. The Seller, **PRA** & agents assume no responsibility for the information contained in said plan(s) & assume no liability for failure of **BUYERS** to review the plans. The purchase contract will not be contingent upon **BIDDER/BUYER** review of above or any similar documents.

If the property being auctioned was **built prior to 1978**, **BIDDERS** will have access to (1) a copy of the booklet: "Protect Your Family From Lead in Your Home"; (2) a disclosure form from the seller providing information on lead-based paint and **lead-based paint hazards** known to the seller; and (3) an opportunity, at the bidder's expense, to test for lead-based paint or lead-based paint hazards. If the property was built prior to 1978, the contract to purchase will not be considered ratified unless these requirements have been complied with. The Seller or Auctioneer will not remove, or pay for the removal of lead-based paint or lead-based paint hazards from the subject property.

## **15. Key Terms included in the Auction**

The successful **BIDDER(s)** become the **BUYER(s)** & shall do the following:

- a. Purchase the property in "**As-is, Where-is**" condition with **no contingencies**.
- b. Execute the purchase contract **IMMEDIATELY** after the auction.
- c. Pay all closing costs allowable under Ohio/Federal law as per contract.
- d. Settle by the published date (normally within 30 days following the date of the auction) as stipulated in the purchase contract.

## 16. Closing Costs

**BUYERS are responsible for all their own closing costs.**

Closing costs are likely to include – but are not limited to – the following:  
Any & all lender fees (appraisal, credit reports, application or origination fees, etc.), recording fees, document preparation (other than the deed), title examination or title insurance, document recording (including the deed), any inspection fees, consultation, closing fees, attorney or other professional fees, survey & other contracted fees as appropriate, etc.

## 17. Mortgage Financing **Financing is not a condition or contingency of the purchase.**

We suggest that you consult with mortgage lenders of your choice well in advance of the auction in order to have all necessary approvals at the time of the auction.

## 18. Leased/Rented Properties

All leased properties will be sold subject to existing leases/rental agreements. Occupied properties will be **sold subject to tenant's rights** under state & local statutes.

## 19. Buyer Premium

An additional fee may be added to the final bid & included in the total purchase price to be paid by the **BUYERS**. If so, this will be published, posted & announced.

It must be clearly understood that the Auctioneer represents only the Seller and that this buyer premium in no way implies an agency relationship between the Auctioneer & the buyer.

## 20. Broker Cooperation (Buyer Registration)

**PRA** encourages cooperative brokerage participation with **Ohio** licensed real estate Brokers & Salespeople. A cooperative commission (which varies by property/auction) is available to the cooperating licensed real estate Broker whose duly registered buyer (**someone not in prior contact with PRA, etc.**) closes on the property.

The Broker or Salesperson **must** comply with all current “**Buyer Registration**” requirements in effect at the time of the auction (**be sure to review the latest set of requirements & any special requirements for a particular property**). These include, but are not limited to:

- a. Be the first broker or salesperson to fully & timely register the prospective buyer with PRA according to the procedures most recently published by PRA,
- b. deliver a fully executed Buyer Agency Disclosure form to the PRA office (normally registration must take place **at least 72 hrs** prior to the auction – **sometimes even more in advance of the auction**). **Regardless of any other provision, All PRA personnel represent only the Seller.**
- c. attend the auction with the buyer they registered that purchases the property
- d. assist the registered buyer with any buyer related activities from the time of registration & stay engaged as a liaison with the registered buyer throughout the entire process to include closing & even after final settlement, if required.

**Failure of the Broker &/or Salesperson to comply TIMELY with ALL registration & related responsibilities results in reduction of -- or loss of -- the cooperative buyer registration share of the commission.**

All commissions properly earned will be paid at closing/settlement or whenever PRA receives the commission – whichever is later.

## 21. FIRPTA (Foreign Investment in Real Property Tax Act):

Transactions involving foreign sellers &/or buyers may require FIRPTA compliance including withholdings, filings, etc. Sellers or buyers must notify PRA if they suspect or anticipate a need for FIRPTA consideration.

22. **REMINDER:** Be sure to see “**Specific Terms & Conditions**” regarding the sale of a particular property & be alert for all published information & announcements at the auction.