



PINNACLE AUCTION GROUP

Buyer Frequently Asked Questions

Q: What are the benefits of buying real estate at auction?

A: The auction method allows buyers to compete fairly and openly with other buyers assuring the high bid is at current market value. By researching the properties before auction-day buyers can bid with confidence and know they are paying fair prices. Buying real estate at an auction eliminates lengthy negotiations, provides a quick transaction turnaround time and shortens the time to closing. Additionally, there is always the opportunity for bargains.

Q: What types of properties will be included in the auction?

A: There will be a wide variety of real estate and price ranges encompassing single-family homes, town homes, condominiums and land parcels. Most of the homes will be re-sales and some will be new construction. Properties will be able to be viewed online.

Q: Will there be open houses and opportunities for inspections?

A: Yes. There will be three scheduled open houses per property. Additional viewings and inspections may be scheduled with the listing RE/MAX agents. Schedules for the open houses will be published in advertising and marketing materials as well as on the Pinnacle Auction Group and participating RE/MAX websites.

Q: Can I make the sale contract contingent upon financing or inspection?

A: No. This Contract to Buy and Sell Real Estate is contingency-free. It is important that you conduct your property evaluations and attain lender pre-approval for your financing prior to bidding at the auction. The participating RE/MAX agencies each have financial relationships with Wells Fargo, the country's most stable and reliable banking institution. Multiple financing products are available to fit the needs of virtually every buyer.

Q. How do I get a bidder's package?

A: Registration is required in order to bid at the auction and there is no fee to register. It is suggested that you register in advance and online through pinnacleauctiongroup.com. Upon confirmation of your registration you will be given a bidder's package and bidder card to bid at the auction. Remember to print out and bring your registration with you to the auction along with a picture ID, (preferably a valid drivers license) and a cashier's check made payable to you for the sum of five thousand dollars (\$5,000) as your earnest money deposit on the property you intend to purchase.

Q: What happens if I am the successful bidder?

A: Immediately following the announcement of your winning bid by the auctioneer you will be asked to sign a winning bid acknowledgement form describing the property and the amount of your winning bid. You will then be escorted into the contract signing area to complete the contract to buy that property. Upon the execution of the Contract to Buy and Sell Real Estate you shall be required to endorse your cashier's check of \$5,000 and offer it as your earnest money deposit. A closing date is immediately scheduled with the designated title company and the transaction is expected to close within forty-five (45) days of the live auction date.



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Q: Is the deposit (earnest money) refundable if the buyer defaults and does not close on the property?

A: No. If a buyer does not close on the property the initial deposit will be forfeited.

Q: This is my first auction. How do I understand when and how to bid?

A: Before the actual auction begins, we will conduct a short practice auction so you can experience the bid calling process, the pace of the auction and the auctioneer's chant. Bidder's assistants will be located throughout the auction room to assist you with questions and help place your bids.

Q: Can a real estate broker represent me?

A: Yes. We welcome real estate broker and agent participation. Brokers must be registered online at pinnacleauctiongroup.com at least twenty-four (24) hours prior to the auction date and check in with you at the auction.

Q: What do the terms "absolute" and "reserve" mean for the auction?

A: "Absolute" means that property is offered without a reserve or minimum price and is sold to the highest bidder, regardless of price. "Reserve" means subject-to-seller confirmation and gives the seller the right to accept the high bid at the conclusion of the sale. In Colorado, unless advertised as "absolute" and disclosed in the Auction Terms and Conditions of Sale, auctions are considered to be "reserve" auctions.

Q: What is a "Buyer's Premium?"

A: A buyer's premium is the fee the auction company charges winning bidders to bring properties to auction. It helps pay for the auction marketing and production costs and other general auction expenses. The buyer's premium for this auction is five percent (5%) of the winning bid amount and will be added to the winning bid to make up the buyer's total purchase price (For example a \$100,000 winning bid plus a 5% buyer's premium (5% of \$100,000 = \$5,000) equals a total purchase price of \$105,000.)

Q: Will I be able to bid online?

A: Yes. Online bidding will be made available before and during the live auction. Details and schedules will be posted online at pinnacleauctiongroup.com.

Q: Can I review Auction Terms and Conditions and the Contract to Buy and Sell Real Estate before the auction?

A: Yes. These documents are available for review at participating RE/MAX agency websites and at pinnacleauctiongroup.com.

Q: When does the auction start and when should I get there?

A: The live auction will begin at 9 a.m. on April 10, 2010, at the Double Tree Hotel; located near I-25 and Orchard in Denver, Colorado. An order of auction properties and approximate times will be made available on the mentioned websites and in the printed auction catalog. We encourage you to register and check in early. We hope to see you at the auction!