

## **AUCTION TERMS & CONDITIONS for ONLINE REAL ESTATE AUCTION**

**Bidding Ends Tuesday, NOVEMBER 27, 2018 at 4:00 PM \***

### **PROPERTIES:**

**Tract # 1: 8.8 +/- Acres with 392 +/- ft. Highway Frontage, 2900 block of NC Hwy 24, Newport, NC 28570**

**Tract # 2: 10.1 +/- Acres with 392 +/- ft. Highway Frontage, 2900 block of NC Hwy 24, Newport, NC 28570**

**Tract # 3: 10.0 +/- Acres with 427 +/- ft. Highway Frontage on NC Hwy 24 and 965 +/- ft. Highway Frontage on Nine Mile Road, Newport, NC 28570**

**Tract # 4: 12.1 +/- Acres with 1,092 +/- ft. Highway Frontage on Nine Mile Road, Newport, NC 28570**

**PROPERTY # 5: 1309 Arendell Street, Morehead City, NC 28557 – Commercial Building and the adjoining parcel at 1308 Evans Street, Morehead City, NC - Residential Lot**

**\*OnLine Bidding ENDS Tuesday, NOVEMBER 27, 2018 beginning at 4:00 PM Eastern Time (subject to the Auto Extended Bidding Feature due to bidding activity at the closing).**

**Please read and review the following Auction Terms & Conditions for the Online Auction. When registering to bid in this Auction you are required to acknowledge that you have read and expressly agree to abide by the Auction Terms & Conditions.**

**BY BIDDING ON THIS AUCTION, BIDDER / BUYER EXPRESSLY AGREES TO ALL TERMS & CONDITIONS SET FORTH AND ENTERS INTO A CONTRACTUAL AGREEMENT TO PURCHASE THE PROPERTY UNDER THE FOLLOWING TERMS AND CONDITIONS:**

**1. Purchase and Sale Contract: Each property is offered under the specific terms provided in the Contract for Sale of Real Property (aka Sale Contract). The Sale Contract is available at [www.HouseAuctionCompany.com](http://www.HouseAuctionCompany.com). **Click on the “DOCUMENTS” Link located on the Auction Listing Page for each property.** Please read and review the contract thoroughly prior to bidding on any property. If you have not read and understand the Sale Contract then Do NOT Bid.**

A credit card, either Visa or MasterCard is required to register and bid.

**2. AUCTION ENDING TIMES:** All House Auction Company Online Auctions are timed events with a scheduled closing time, which is subject to extended bidding due to bidding activity at the closing of the Auction. NOTE: House Auction Company Online Auctions have **AUTO EXTENDED BIDDING** and **EXTEND ALL BIDDING** features which will become active in the last 5 minutes of the scheduled bidding period. **Any bid placed on ANY Property within 5 minutes of the Auction ending time will automatically extend the ENTIRE Auction for ALL Properties for an additional 5 minutes.** This process will continue until there are NO bids are received on ANY of the Properties in the Auction in the final 5 minutes. House Auction Company reserves the right to reduce and/or adjust the auto extension time period.

**3. "EXTEND ALL BIDDING FEATURE Example:** If the bidding is originally scheduled to end at 4:00 pm, and ANY property receives a bid at 3:57 pm, then the bidding period for ALL Properties in Auction will automatically extend to 4:05 pm. Once this begins, anytime a bid is placed on any Property in the Auction with under 5 minutes remaining, an additional 5 minutes is added to the bidding period for ALL Properties in the Auction. House Auction Company reserves the right to reduce and/or adjust the auto extension time period.

**4. TERMS:** At the close of the auction, the successful bidder(s) will be emailed the Contract Package (which includes Sale Contract and related sale documents) to be properly and completely executed without modification. Successful bidder(s) shall promptly return the complete executed Sale Contract and related documents to House Auction Company by email or fax within 24 hours of receipt. Successful bidders shall deposit 15% (fifteen percent) of the Contract Purchase Price with House Auction Company in the form of bank cashier check, wire transfer, or guaranteed personal funds within 24 hours of receipt of the contract package. The entirety of the remaining balance is due at closing as stipulated in the Contract for Sale of Real Property. Instructions for wire transfer and /or cashier check transmittal will be sent by e-mail to the successful bidders. Buyers shall be responsible for all wire transfer fees related to their deposit through the entire transaction.

**5. Buyers Premium: A 10 % Buyers Premium will be added to the bid price to determine the contract purchase price.** Buyers Premium Example: Bid Price: \$100,000 - Plus 10% Buyers Premium: \$10,000 for a Total Contract Purchase Price of \$110,000.

**6. CONTRACTS:** Contract Documents will be sent by email to the successful high bidder(s) at the conclusion of the auction. Successful high bidders (Buyers) must properly execute and email or fax the executed contract and related sale documents to House Auction Company and submit the earnest money deposit within 24 hours of receipt. Contract documents are required to be fully and correctly executed without modifications. Successful high bidders not executing and returning their contract with earnest money deposit within 24 hours of receipt will be considered in default and subject to an Administrative Fee (as defined below). All Administrative Fees are nonrefundable.

**7. Auction Administrative Fee:** In the event a winning bidder fails to submit the properly signed Contract for Sale of Real Property and earnest money deposit as provided in the Terms & Conditions, the winning bidder will be charged an Administrative Fee of \$2,500.00 on the credit card provided at auction registration. Additional default remedies are reserved by House Auction Company and the Seller as provided in the Auction Terms & Conditions and the Contract for Sale of Real Property. ALL Administrative Fees are nonrefundable.

**8. Bidder Verification:** The identity of all bidders will be verified, bidding rights are provisional, and if complete verification is not possible, House Auction Company will reject the registration and bidding activity will be terminated for an unverified bidder. Bidder responsibilities include, but are not limited to: Bidders agree to keep their user name and password strictly confidential, as they are responsible for ANY and ALL activity involving their account.

**9. Outbid Notification:** Until the auction begins to close, the bidding software will notify bidders by email when they have been outbid. Bidders may also find out if they have been outbid by refreshing the individual parcel / tract information. Due to varying internet connections and speed, sometimes email notifications can be delayed. Registered bidders expressly understand and agree that House Auction Company, MarkNet Alliance and the Seller are not responsible or liable for the failure of any part of the bidding process or internet bidding.

**10. Property Information & Inspection:** By registering and bidding in this auction, Bidder expressly acknowledges and warrants that they have personally inspected the property, or have arranged for their agent to conduct an inspection of the property, or have waived their right to inspect the property they are bidding on, and further agree to abide by the Terms and Conditions as set forth herein. House Auction Company (Auctioneer) is not responsible for any missing or incorrect information. Descriptions provided by Auctioneer are provided in good faith and are matters of opinion. It is the bidder's sole responsibility to conduct any inspections to determine the condition of the property and feasibility of bidder's intended use. By placing a bid, this creates a contractual agreement by the bidder to purchase the property at the high bid price plus Buyers Premium and any additional fees included in the closing of the real property transaction. All properties are subject to prior sale or removal from the auction.

**11. INSPECTION / PREVIEW DATES:**

**For LAND TRACTS 1, 2, 3 & 4: At Buyer's Leisure & Liability during daylight hours.**

**For 1309 Arendell Street, Morehead City, NC (PROPERTY # 5):**

**Friday – November 16 from 3:00 to 5:00 PM**

**Monday – November 19 from 3:00 to 5:00 PM**

**Monday – November 26 from 3:00 to 5:00 PM**

**12. Title:** Seller will convey to the successful Buyer(s) good and marketable title to said properties by Special Warranty Deed subject only to permitted encumbrances.

**13. Bid Confirmation:** Property is selling subject to Seller's confirmation unless advertised as Absolute.

**14. Ad Valorem taxes:** Current year Ad Valorem taxes (real property taxes) will be prorated between Seller and Buyer as of the date of closing.

**15. Personal Property:** This sale excludes ALL personal property located on each respective property.

**16. Survey:** Tracts # 1, # 2, # 3 and # 4 will be purchased from the Preliminary Sale Maps incorporated in the Contract for Sale of Real Property, entitled EXHIBIT "C", and posted on the Auctioneer's website. On the Preliminary Sale Maps the distances and acreages are estimated and will be adjusted based on a final survey conducted by the designated surveyor named herein and in accordance with existing subdivision laws. Should Tract #1 and #2 sell divided to separate buyers, and/or should Tract #3 and #4 sell divided to separate buyers, then a boundary survey will be made by Johnny J. Williams Land Surveying (Surveyor), 219 E. Main Street, Beulaville, NC 28518 – telephone 910-298-8272, land surveyor registered in the State of North Carolina, to perform a boundary survey of the Property in accordance with the minimum technical requirements for the State of North Carolina and certified in favor of Purchaser and Seller. The Survey shall be subject to Seller's approval. Should Tracts # 1 and # 2 sell to separate buyers, the Surveyor will charge each respective buyer a survey fee of \$1,400.00, payable at closing. Should Tracts # 3 and # 4 sell to separate buyers, the Surveyor will charge each respective buyer a survey fee of \$1,600.00, payable at closing. Division stakes are intended for approximation use only. Actual boundary lines are to be determined by boundary field survey and may vary slightly by field markers. It is understood that the acreage and dimensions of the tracts may vary according to actual final boundary survey. **These Tracts are selling by the "whole dollar" and there will be no adjustment in price based upon the final acreage in the final boundary survey. All survey expenses are to be paid by the Buyer.** For this fee, the surveyor will mark all property corners and provide the Buyer with a recordable Plat. This fee does not include the actual opening of the lines. The surveyor will open lines for an additional fee. As used herein, the term "surveyed acreage" means the total gross acreage of the Property without any deduction for any portion thereof located in the bounds of any roadways (except deeded roads), easements or other rights of way, including, without limitation, electric transmission lines or other utility easements. In the event either party defaults under the terms of the Sale Contract, the defaulting party will be responsible for the survey expense. **Should Tracts #1 and #2 sell as a whole to one Buyer**, NO survey will be required and the property will be conveyed from existing legal description. Likewise, **should Tracts #3 and #4 sell as a whole to one Buyer**, NO survey will be required and the property will be conveyed from existing legal description.

**17. Time being of the essence, these sales shall be closed on or before JANUARY 3, 2019.** Buyer's closing attorney shall provide the settlement statement and closing package to the Seller's Broker and Seller's closing attorney NO LATER than four (4) business days prior to the scheduled closing date for Seller's review and execution. Seller will not attend closing; however Seller will deliver closing documents to the Buyer's closing attorney to hold in trust pending Buyer's completion of the transaction. The Seller will pay for the preparation of the Deed, documentary deed stamps and Seller's prorated share of the Ad Valorem (real property) taxes. The Buyer(s) will pay for all other closing costs associated with this sale, including but not limited to preparation of the closing/settlement statements (HUD), State and local recordation fees and taxes, receiving and disbursing the funds, any overnight or regular shipping of documents, all wire transfer fees associated with Buyer's earnest money deposit and any title insurance or title search fees the Buyer desires. Real estate taxes will be prorated as of the date of closing. **By registering and bidding in this auction, Buyer hereby authorizes the closing attorney, the parties' real estate agent(s) and Buyer's lender(s) to release and disclose any Buyer's closing disclosure, settlement statement and/or disbursement summary, or any information therein, to the parties to this transaction, their real estate agent(s) and Buyer's lender(s).**

**18. Possession:** Possession of the property shall be granted to Buyer at closing. NO EXCEPTIONS.

**19. Agency Disclosure:** In all transactions, House Auction Company is acting exclusively as agent for the Seller, and not as buyer's agent. House Auction Company reserves the right to remove or cancel the bids or bidding rights and privileges of any party, deemed not to be in the best interest of the Seller, at any time. At auctions with reserve, the seller and/or auctioneer reserve the right to bid. On all other auctions, auctioneer reserves the right to bid on auctioneer's behalf when permitted by law.

**20. Special Note:** These properties are selling subject to (1) easements, rights-of-way, covenants, restrictions, and other matters of record, if any; (2) any easements, rights-of-way, cemeteries or other matters that would be disclosed by an accurate survey or inspection of the Property; (3) Ad valorem taxes for the current year and subsequent years; (4) leases, other easements, other restrictions and encumbrances specified in the Sale Contract, if any, and (5) any local, county, state, or federal laws, ordinances, or regulations relating to zoning, environment, subdivision, occupancy, use, construction, or development of the subject property, including existing violations of said laws, ordinances, or regulations.

**21. Bidding increments:**

\$1,000 - \$2,000 = \$50 increment  
\$2,000 - \$5,000 = \$100 increment  
\$5,000 - \$10,000 = \$250 increment  
\$10,000 - \$25,000 = \$500 increment  
\$25,000 - \$50,000 = \$1,000 increment  
\$50,000 - \$75,000 = \$1,500 increment  
\$75,000 - \$100,000 = \$2,000 increment  
\$100,000 - \$200,000 = \$2,500 increment  
\$200,000 - \$400,000 = \$5,000 increment  
\$400,000 - \$800,000 = \$10,000 increment  
\$800,000 - \$1,000,000 = \$25,000 increment  
\$1,000,000 or Greater = \$50,000 increment

**22. Auctioneer's Discretion:** House Auction Company has full discretion to modify the date and time, order and details of the auction for any reason, including but not limited to technical issues, emergencies, and convenience of House Auction Company or the Seller. We gather aggregate information from the website, which may include but is not limited to: number of page visitors, most visited pages, and any and all correspondence. House Auction Company has the sole authority to resolve any bidding disputes as they may arise. All properties are subject to prior sale or removal from the auction.

**23. Bidder Default:** Successful Bidder not timely executing and submitting the Sale Contract and the earnest money deposit after the auction under the Terms and Conditions set forth herein, will be considered in default. Such default by the Successful Bidder will result in that Bidder's liability to both the Seller and House Auction Company. Seller shall have the right to (a) declare this contractual agreement cancelled and recover full damage for its breach, (b) elect to affirm this contractual agreement and enforce it by specific performance; or (c) resell the property either publicly or privately with House Auction Company and in such an event, the Buyer shall be liable for payment of any deficiency realized from the second sale plus all costs, including, but not limited to the holding costs of the property, the expenses of both sales, and all legal and incidental damages of both the Seller and House Auction Company. In addition, House Auction Company reserves the right to recover any damages separately from the breach of the Buyer. Nothing herein shall be considered a waiver of any other rights of Seller and House Auction Company at law or in equity.

**24. Server & Software Technical Issues:** In the event there are technical issues related to the server, software or any other online auction related technologies, House Auction Company, MarkNet Alliance and the Seller reserves the right to extend bidding, continue the bidding, or close the bidding. By registering and bidding in this auction each bidder automatically and expressly acknowledges that House Auction Company, the Seller, MarkNet Alliance, and the company providing the software shall NOT be responsible or liable for a missed bid or the failure of the software to function properly for any reason. Email notifications may be sent to registered bidders with updated information as deemed necessary by House Auction Company.

**25. Broker Participation:** A Broker Participation Commission of 1.5% (one and one-half percent) of the bid price (hammer price) is available to properly registered brokers whose prospect (bidder) purchases real estate in the auction and closes in full under the Terms of the Auction and the Contract for Sale of Real Property. A Broker Participation Form with complete instructions is available at [www.HouseAuctionCompany.com](http://www.HouseAuctionCompany.com). Broker must be actively licensed in North Carolina and must register their prospect no less than 24 hours prior to the scheduled closing time of the auction, using the House Auction Company Broker Participation Form and in accordance with the guidelines set forth. House Auction Company and the Seller will not pay any commissions to brokers acting as principles. Please read and review guidelines.

**26. Disputes:** This Agreement shall be exclusively construed and governed in accordance with the laws of the State of North Carolina, without regard to its conflict of laws or principles. Any litigation or dispute arising out of this Agreement shall first be mediated before any lawsuit or legal proceeding is filed. The parties shall in good faith agree on a third party neutral mediator. The mediator shall set guidelines. The parties shall in good faith mediate the dispute and divide the cost of said mediator. All mediation shall be conducted in the County of Carteret, North Carolina and shall be subject to the mediation guidelines of the State of North Carolina. If mediation is unsuccessful then all litigation arising out of this agreement shall be adjudicated in a court of competent jurisdiction within the County of Carteret, State of North Carolina. All parties expressly agree to submit to this exclusive venue and hereby expressly waive any grounds for any alternate venue.

**27. Disclaimer:** House Auction Company and Seller have gathered this information from sources deemed reliable and believe it to be correct to the best of our knowledge. The information is being furnished to bidders for the bidder's convenience and it is the responsibility of the bidder to determine that information contained herein is accurate and complete. Any reliance on the contents shall be solely at the recipient's risk. Bidders must conduct and rely solely upon their own investigations and inspections. The property is being sold AS IS, WHERE-IS and with ALL FAULTS and in such condition as the property may be in as of the date of conveyance, without any warranties, representations or guarantees, either expressed or implied, of any kind, nature, type whatsoever from, or on behalf of Seller. Further, the property is being sold subject to (i) all covenants, restrictions and easements of record; (ii) all rights-of-way and easements for street and utilities applicable to the described property; and (iii) all easements or encumbrances apparent from a visual inspection or survey of the described property. Please review all information supplied and seek appropriate assistance prior to bidding. All announcements made by the Auctioneer at the auction shall take precedence over all other previous information.

**28. Lead Warning Statement:** Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the Seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase. Seller has no knowledge of lead-based paint and/or lead-based hazards in the housing. Seller has no reports of records pertaining to lead-based paint and/or lead-based hazards in the housing. Purchaser acknowledges that he/she has had a ten day inspection period prior to auction to conduct a lead-based paint hazard assessment and further waives the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based hazards after the auction. NCAL#7435 & #7889