



**TERMS AND CONDITIONS FOR
BIDDERS LIVE AUCTION
Realty Realty (3rd Floor)**

1253 Ave. Fernández Juncos, Esquina R.H. Todd, Parada 18
Santurce, San Juan, Puerto Rico

REGISTRATION FOR AUCTION:

Registration is the way to confirm your attendance after having previously registered to participate in the auction. Registration will begin on **Thursday, December 14, 2023, 8:30 am** at **Realty Realty** in **San Juan**, Puerto Rico.

BID REQUIREMENTS:

Tenderers/Bidders must provide the following information: full name, current valid identification with photo and document of Terms and Conditions signed by the tenderer/bidder. The tenderer/bidder, once registered, must show the official in charge letter of bank qualification and deposit in good faith, which must be in money order or certified check. Cash will not be accepted.

RECOGNITION AND INSPECTION OF PROPERTIES TO BE AUCTIONED:

It is the duty and responsibility of the tenderer/bidder to inspect the properties before the auction. Every tenderer/bidder will have the opportunity to inspect the properties on the dates and times that have been identified in the available listings and brochures or by appointment. The inspection will be through a walk through the property grounds at the bidder's own risk. Once the tenderer has registered, he accepts that the properties to be the object of the auction are of his entire knowledge and condition, and therefore waives any claim to the seller and his representatives (Realty Realty). The tenderer declares that the tendered property is the same property inspected by him or his authorized agent, prior to the auction. In the case of lots without structures, the buyer is responsible for verifying the conditions of the land (study of soil and measurement). Investors have to inspect ALL properties before the auction as options subject to inspection will NOT be accepted. Once the option is made, you accept that you have inspected the property and that you are optioning it at your own risk, therefore, if you give up the purchase, the option deposit money will NOT be returned. The seller and his representatives (Realty Realty) will not be responsible for the omission by the tenderer or his authorized agent, for the identification of the property and its conditions, or for any identity or other legal error; this will not relieve of the legal responsibilities contracted once the auction has been awarded and the purchase and sale option contract subscribed by the parties.

DEPOSIT:

The deposit will be 5% of the sale price for residential, commercial properties and lands.

The deposit of all auctioned property is not refundable. The adjudication and sale of the properties to be auctioned is not subject to financing to complete the sale. The deposit required for each property is specified in the information of the properties to be auctioned on the website www.reposubasta.com.

The deposit will be accepted only by certified check or money order in the name of **REALITY REALTY**, **no cash will be accepted.**

On the day of the auction, every successful bidder will sign an option contract and make a **minimum initial deposit of \$3,000.00 for cases whose sale price is less than \$50,000.00 and \$5,000.00 for cases whose sale price is greater than \$50,001.00**. The tenderer will have **48 hours** to deposit the remaining balance of 5% for the residential, commercial properties and lands, if applicable. If the deposit is not completed within the time stipulated herein, the bidder will lose the initial deposit and Realty Realty, at its discretion, may offer and negotiate the property to the next bidder.

BIDDING PREMIUM TO THE BUYER:

The buyer / tenderer who wins and is awarded one or more properties will pay Realty Realty the equivalent of the commission of one to five percent (1 - 5%) by selected properties. This amount will be added to your auction offer, and will be additional to the approved sale price,

without representing a deposit to be credited to the sale. Both the deposit of the transaction and the buyer's premium will be deposited in separate "Escrow" special accounts in favor of Reality Realty until the transaction process is completed and closed by transferring title of the property to the buyer. If the "tender premium" is not paid during the first forty and eight (48) hours after the signing of the purchase option contract, the contract will not take effect and the check delivered as premium at the time will be for the benefit of Reality Realty and will not be subject to return under any circumstances.

OWNER FINANCING TERMS (only to identified inventory):

- **Minimum down payment: 50% of the Agreed Price**
- **Financing Ballon 30/5 ("Interest only")**
- **Type of Interest Rate:**
 1. **First year: 5%**
 2. **Second year: 5.4%**
 3. **Third year: 5.8%**
 4. **Fourth year: 6.3%**
 5. **Fifth year: 6.7%**
- **Other terms and conditions apply:**
 - **No origination fees or discount**
 - **No penalty for pre-payment**
 - **No employment verification**
 - **No credit check**

PARTICIPATION OF EXTERNAL BROKERS / SELLERS TO RR

Any Real Estate Broker duly identified with his license issued by the Department of State and that is in force, may participate together with his client or tenderer in the auctions. It will be an indispensable requirement for Real Estate brokers, to register as a broker for their client and present evidence that they visited the property with the client. The registration procedure can be done through: www.reposubasta.com by filling in all the requested registration information, personally or by phone at **(787) 418-3100**. When registering the broker prior to the auction, you must send your license to reposubasta@realityrealtypr.com. Upon completion of the sale of the foreclosed property, the external Real Estate Broker, identified with the buyer will receive the one-point five percent (1.5%) commission on the sale price. The commission payment is subject to the closing of the sale of the foreclosed property. If the same bidder completes the sale of a second property or more, the broker identified with it will receive the seventy-five percent (.75%) commission of the sale price. Broker who does not attend the auction will NOT be paid commission for any reason. The client is registered under his broker only when he sends the "Showing Report" Visit Sheet. Both the tenderer and his broker will have the opportunity to register until the day before the auction date. Any bidder who arrives at the event without registering or registering, but without having identified a real estate broker as their broker, will automatically be registered as a **REALITY REALTY** customer. The commission will be paid only to the first broker who with his "Visit Sheet" validates that he exercised his function of showing the property to be properly tendered to his client. Broker who does not go with the client to the property, the commission will not be paid. Any customer who attends the designated inspection day without his broker will be assigned the sale to REALITY REALTY. Brokers and Investors acting as a client for the purchase of self-interest properties, bloodline or investment will NOT charge commission or be represented by any Broker or Real Estate Seller. **IT IS THE RESPONSIBILITY OF THE INVESTOR PURCHASER TO SEE THE PROPERTY BEFORE THE EVENT, OTHERWISE FAILURE TO COMPLY WITH THIS REQUIREMENT WILL MAKE NON-REFUNDABLE THE OPTION MONEY GIVEN ON THE OPTIONED PROPERTY.**

TO BID IN ABSENCE OF CUSTOMER:

If the client cannot attend the auction, they may only participate in the auction through a representative who is duly authorized to represent the bidder by means of a letter or power of attorney (it may be their broker). The authorized person will show it at the entrance, as well as the manager's check for deposit to the **REALITY REALTY** representative. If the bidder is victorious, his representative must deliver a copy of the said letter and the deposit check to **REALITY REALTY** staff and the bidder will have twenty-four (24) hours to sign the option contract.

TERMS OF SALE:

THE OPTANTS ACKNOWLEDGE THAT THE SALE PRICE AGREED IN THIS AGREEMENT WILL NOT BE ALTERED OR SUBJECT TO THE RESULT THAT REDUCES ANY ASSESSMENT OR VALUE OPINION REQUIRED DURING THE TERM OF THE OPTION OR IS SUBJECT TO FINANCING OF THE PROPERTY AWARDED IN AUCTION.

Once the offer has been accepted by the selling party, the winning bidder must sign the option contract and make the corresponding deposit. The external Real Estate Broker will present his credentials in order to sign the commission agreement. If you do not submit the requirements, you will not be entitled to payment of any sales commission. The seller will grant a victorious bidder the opportunity to sign an option contract and pay the deposit, a term of **twenty (20) days** to carry out the closing of the sale if **IT IS A CASH SALE** and **forty-five (45) days** if it is financed (if property is financeable). **The successful bidder / buyer will be responsible for the payment of all legal expenses (including internal revenue stamps and legal assistance stamps, proof of registration and notarial fee) of the sale at the closing of the property. In the case of some properties, the outstanding balance for maintenance and contributions could be applied in addition to the approved sales price. These cases will be duly identified prior to your tender and the corresponding amounts will be available on the day of the event.** The seller of the properties to be auctioned has the right to reserve the adjudication of the auction of any property for a period of five (5) days from the date of the auction and any bidder when bidding for a property makes it subject to this condition.

The term "**Sold or Sale Subject to Confirmation**" refers to the fact that the offer presented did not reach the minimum required by the selling party and in that case the property is automatically available. The term "**Is Liquidated**" means that the sum offered by the bidder met the minimum expectations of the selling party, so the bidder may choose the property, in this specific case a bell rings as a sign that the owners are willing to sell such property. Some properties may be approved "Subject to Confirmation" subject to a second approval after the event.

If the bidder / buyer does not exercise the option of buying and selling a property that is awarded in the auction, REALITY REALTY and / or the seller reserve the right to withhold the deposit as compensation for the option granted to the bidder. The seller reserves the right to auction again any property that will not be acquired by the signing of the deed of sale corresponding by a victorious bidder before the end of the term of the option. The option of the tenderer to which an auction property is awarded is not transferable to acquire said property without the prior consent of the seller. The seller reserves the right to deny in its sole discretion the transfer or transfer of this option by the tenderer. The sale will be made through a Notary appointed by the selling party. The selling party will deliver the property through free sale of any lien, contributions on real property and / or maintenance fees under the Puerto Rico Condominium Law, except for the case of properties where it was previously disclosed that, in addition to the price of approved sale, the balance due for maintenance and contributions should be included. These cases will be duly identified prior to your tender and the corresponding amounts will be available on the day of the event. The selling party does not guarantee the conditions of the properties at the time of the sale. Every tenderer / buyer acknowledges that he has had the opportunity to make an inspection of the property and that he is fully aware of the current condition of the property or, if not having inspected the property, assumes the responsibility of bidding under his own risk. Likewise, he accepts that in the event that any property in the auction is awarded to him, he acquires it and accepts it as is ("**as is**") and its current condition ("**where is**"), recognizing that the seller did not design, nor built the structure (s) located on the property, if any, and have not used it for any purpose. The tenderer / buyer relieves the seller of any defects or defects in construction and / or design and mechanical damage, as well as, but not limited to cracks, leaks, dislodging, obstructions in sanitary lines and / or aqueducts, power lines, etc., that may exist on the property or that will manifest in the future. The seller will also not be responsible for the zoning of the property or that the structures (s) located there (s) complies with the zoning requirements in force or applicable to the property or that it can be (n) Use for any particular use. When bidding for a property subject to this auction, the bidder / buyer ratifies and confirms that in case any property is awarded it acquires the same renouncing sanitation for hidden, apparent or any other kind of defects, and also ratifies and confirms it waives the other guarantees established by the Civil Code of Puerto Rico, including sanitation by eviction. Reality Realty, representatives of the selling party, reserves the right to withdraw any property from the auction or include other properties for it.

REALITY REALTY may offer, receive offers, sell and / or withdraw any property to be auctioned prior to the auction.

RETURN OF OPTION:

If the bidder / buyer does not exercise the option within the term established in the contract of sale, **REALITY REALTY** (subsidiaries and / or affiliates) reserves the right to withhold the amount of money delivered as a deposit. This retention is made as compensation and / or penalty for the breach of the purchase option and for the period of reservation of the property. **THIS AUCTION IS NOT SUBJECT TO FINANCING.** Some properties are not qualified for financing. Properties identified as cash-only purchases will not be subject to financing and failure to comply with will result in the option being confiscated. Properties identified as purchases with residential financing and the purchasing party could not obtain the same without contributing to the denial of the loan, the deposit received will be refunded less an administrative fee of \$450.00. Once a property is awarded, the tenderer accepts that he has inspected the property and that he is optioning at his own risk, therefore, if he gives up the purchase, no option deposit money will be returned.

REALITY REALTY, representatives of the seller, is not responsible for any defect in the title of the property that is auctioned. **REALITY REALTY** and / or the seller assume no responsibility for errors or omissions in the advertising, promotion or listing of the properties. The responsibility of **REALITY REALTY** and / or the seller are limited to the offers made through the advertising, listings and contracts made. The method and order to be carried out in the auction will be established by **REALITY REALTY**. Victorious bidders may carry out the sales in cash, or through duly pre-qualified financing at the time the option contract is concluded. Interested bidders may obtain any documents of the auction through the **REALITY REALTY** office, located at **1253 Ave. Fernández Juncos Corner of Roberto H. Todd, San Juan, Puerto Rico 00907.**

******* This activity will be recorded in its entirety. *******

ACKNOWLEDGMENT AND ACCEPTANCE: The bidder and subscriber acknowledge and accept that they have read and understood these procedures, terms and conditions and are bound by them. We reserve the right of admission.