

RATIONALE FOR A REAL ESTATE AUCTION

- 1. An auction focuses the demand factors toward a specific date of performance and creates a timeline to perform by the buyers. Additionally, it is a process wherein we provide all the due diligence such as zoning, planning, accesses, etc., to the auction buyer, and makes an unconditional closing date normally 20-30 days after the auction as opposed to a due-diligence period that can drag out and ultimately be a basis for rejection of the transaction.**
- 2. A properly conducted auction will withstand criticisms and attacks for everything from integrity to intelligence, and questions by dissenting parties. This allows all parties to come and bid, to witness the transaction, and takes away the ultimate "I knew somebody that would have paid more" challenge that can occur when a property is sold at private treaty under these contested conditions.**
- 3. The auction method, notwithstanding its ability to withstand challenge to the transaction, still has the ultimate safety of allowing all ownership entities the opportunity to bid on any or all of the property.**
- 4. We encourage and provide for "Broker Participation," which allows a sharing of the commission by licensed real estate brokers who properly register their clients prior to the auction under conditions established by Furrow Auction Company and approved by all parties.**
- 5. All parties who have an interest in the ultimate sales price have an opportunity to impact the sale by encouraging and identifying, and helping Furrow Auction Company develop interest that any party feels they can impact.**
- 6. An auction will reflect more current market demand values than will a pricing structure that is based on historic or anticipated market demand values.**