

15.2 Nature of auction and written auction agreement.

(a) Auction shall be with reserve, unless the real estate is offered without reserve using explicit terms such as “absolute” or “without reserve.” In an auction “with reserve,” the auctioneer may withdraw the real estate at any time until he/she announces completion of the auction. In an “absolute” auction or auction “without reserve,” after the auctioneer calls for bids on real estate, that real estate cannot be withdrawn unless no bid is made within a reasonable time.

(b) The auctioneer shall have a written auction agreement with the owner stating the parties’ agreement regarding the terms and conditions of the auction, including whether the auction will be an absolute auction or auction with reserve and the terms of reserve or conditions on the sale; whether a buyer’s premium will be charged the buyer and who will receive the buyer’s premium collected, and whether the auctioneer or others on the auctioneer’s behalf may bid on or purchase the subject real estate at the auction. The auction agreement shall include the address of the property; the compensation to be received by the auctioneer; and the signatures of all parties. At the time of securing the auction agreement, the auctioneer who obtains it shall give the person or persons signing the agreement a true copy of the agreement. In those cases where the auction is an absolute auction or auction without reserve, the auction agreement or an addendum thereto must include the following statement in 14 point bold-faced type.

“SELLER ACKNOWLEDGES AND AGREES THAT THE PROPERTY OF SELLER (OR PORTION THEREOF IF CONSPICUOUSLY NOTED ON THIS AGREEMENT BETWEEN AUCTIONEER AND SELLER) IS TO BE SOLD AND CONVEYED TO THE HIGHEST BIDDER AT THE AUCTION SALE REGARDLESS OF PRICE AND WITHOUT SELLER HAVING ANY AUTHORITY OR LEGAL RIGHT TO REFUSE TO CONVEY THE PROPERTY (OR PORTION THEREOF) TO SUCH HIGH BIDDER. SELLER IS STRONGLY ADVISED TO VISIT WITH AN ARKANSAS LICENSED ATTORNEY WITH REGARD TO THE DIFFERENCE IN AN AUCTION WITHOUT RESERVE (SUCH AS THAT INTENDED BY AND TO OCCUR PURSUANT TO THIS AGREEMENT) AND AN AUCTION WITH RESERVE. SELLER IS ALSO STRONGLY ENCOURAGED TO VISIT WITH ANY LIENHOLDER OR SELLER PURSUANT TO ANY INSTALLMENT LAND SALE (OR SIMILAR) CONTRACT WITH REGARD TO THE NATURE OF THIS AUCTION AGREEMENT.”

(c) A bidder may retract a bid prior to the auctioneer’s announcement of completion of the auction, but a bidder’s retraction does not revive any previous bid.

(d) Each sale at auction is complete and considered legally binding upon the person making the final winning bid at the moment the auctioneer announces the completion of the sale by the fall of the hammer or in any other customary manner.