

## Auction Procedures

This is a summary of the procedures that will be followed for the auctions of condos 139 Chihuahua and 166 Yucatan. It is a draft subject to change if ordered by the court or the law is changed. It is the Board's understanding of the law and facts and should not be relied upon by any prospective bidder or his or her representative.

Appraisals have been prepared for both condos by Vida engineer Luis Cervantes Hernández. He is qualified to provide appraisals for this purpose. The appraisals were made in pesos rather than US dollars. 139 Chihuahua was appraised for \$950,000 and 166 Yucatan was valued at \$860,000. If no offers are made by the dates of the auctions the appraisal amounts will be reduced and second auction dates will be set.

The auction for condo 166 will occur on September 25, 2020, at 11:30 am.

After much research Vida's attorney, Ruby Olmos, has determined that Mexican citizens and foreigners can participate in the auction for 166. 166 was owned by a foreigner using a trust, so foreigners can purchase trust rights.

The minimum bid is 2/3 of the appraisal amount or approximately \$567,000 pesos. To participate in the auctions a refundable payment of 10% of the appraisal amount must be deposited in advance into the court bank account. The participant will receive a green colored document showing the deposit was made.

Three documents are required for the auction: the green document, a letter indicating the offer amount, and identification. Foreigners must also provide evidence of their legal status in Mexico. Offer amounts can be increased at the auction. The highest bidder wins and must settle within 15 days. If the balance is not paid when due the deposit will be forfeited.

It is necessary to be represented at the auction. You must either be present yourself or be represented by someone with a special proxy. If you do not speak Spanish Ruby recommends having an interpreter present at the auction because only Spanish will be spoken. Ruby recommends having an attorney help you prepare for the auctions. Ruby cannot represent those interested in participating in the auction as she represents Vida. If you are interested in meeting with Ruby, let Nico know and he will arrange a meeting with her.

Please note that property taxes have not been paid for either of these condos for many years. However, Vida has been told that a new owner would only be liable for the taxes for the most recent five years. Vida has also been told that the amounts required to settle property tax liabilities are negotiable if the new owner is prepared to pay cash at the time of negotiation.

Similarly, while the trust has not been canceled, no trust payments have been made for the condo 166 trust for many years. Presumably the amount required to settle the trust obligation

is negotiable if the new owner is prepared to pay cash at the time of negotiation. Please consult your legal advisor on this matter as well as all the facts and procedures as mentioned.