

AUCTION RULES AND POLICIES

APPLICABILITY

All customers who register with the auction agree to follow the rules and arbitration policies posted on the Auction premises. Use of the buyer's card or consignment by a seller constitutes acknowledgment and agreement that all transactions are subject to the terms and conditions, guarantees, warranties; and regulations as posted upon the auction's sales invoices, registration forms, drafts, rules, policies and fee schedules.

REGISTRATION

Only licensed motor vehicle dealers or their authorized representatives first approved by the Auction may do business at the Auction and must furnish photocopies of current:

1. Motor Vehicle Dealer's License
2. Resale Permit
3. DMV Vehicle Dealer Bond and or Verification of Removal
4. Salesperson's license in states where acceptable or valid driver's license
5. Written credit Reference form Buyer's Bank
6. Business and credit references acceptable to the Auction. (Auction Reserves the right to access credit reporting agencies to obtain and verify credit history.)

This is a dealer only Auction. Any dealer who brings a retail buyer to the Auction will lose his Auction privileges.

Upon transfer and delivery of title acceptable to Auction, the Auction will pay seller for each vehicle sold by Auction check, less amounts owed by the seller.

Auction reserves the right to interpret all rules relating to representations and warranties affecting vehicles and to terms and conditions of doing business at the Auction.

If the dealer of record wishes to authorize an individual to act as his agent the dealer of record must do so in writing. When the dealer extends this authorization, he shall be responsible until such time as he informs the Auction in writing of cancellation of this authorization. The dealers of record shall be responsible for retrieving the identification card or informing the Auction if he is unable to do so. Upon acceptance of an identification card issued by the Auction, the person, corporation, or firm whose name is embossed on said card, by retaining or using the card, agrees to pay for all purchases. This obligation shall end only after the payment of all purchases and the surrender of this card to the Auction, or upon the Auction's receipt of the notice in writing that the card has been lost, stolen, or destroyed. Use of this card grants Auction a purchase money security interest in all vehicles sold by Auction, as set forth in these rules. 'I' he Auction reserves the right to cancel or modify the identification card at any time and demand the surrender of same. Admittance is allowed to only those persons holding individually issued Auction ID cards. (Cards must be displayed.)

AUCTION REPRESENTATIVES

The Auction has not verified and makes no representation or Guarantee as to the description; equipment, warranties, or odometer reading on any vehicle sold or offered for sale. Buyer assumes the responsibility to verify all of seller's representations, warranties, and descriptions and to notify Auction in case of any discrepancy, no later than the closing time or the day of the sale. Any information placed on the windshield of a vehicle such as mileage, year, make, model, etc., is for the convenience and reference purposes only and is not a representation, warranty, or condition of sale.

It shall be the responsibility of all customers to review the Auction's rules and arbitration policies and any revisions therefore before doing any business at the Auction. These rules and policies, as well as any and all revision, will be posted on the Auction premises. Free copies of the auction's rules are available upon request. Customers who do not comply with Auction rules may be barred from doing business at the Auction.

INSURANCES & WARRANTIES

Auction does not provide insurance coverage on vehicles, except public liability insurance for its own negligence. Dealer assumes all risks of loss and liability for vehicles removed from Auction premises. Auction assumes no responsibility for fire, theft, or other damage unless caused by its own negligence. Auction is not responsible for the transfer, delivery or validity of factory warranties or other warranties of third party. The Auction assumes no responsibility for a vehicle until the vehicle is completed for sale of the vehicle.

USE OF THE PREMISES

Purchased vehicles left without permission over two weeks are subject to being removed from the premises at the buyer's expense. All vehicles left in the customer parking lot will be towed at the owner's expense if left over one week, sale date to sale date

No mechanical work is allowed on the Auction property without prior consent of the Auction.

No one is allowed on Auction premises on sale day without buyer's or seller's copies of an Auction invoice and then only for the purpose of immediate delivery or removal of automobiles.

All vehicles are subject to inspection by law enforcement agencies

No children under 18 years of age are allowed on premises.

Lot speed 5 MPH- NO SPEEDING- BE ALERT- WATCH TRAFFIC. Plainclothes police are on duty during Auction sale days to protect the Auction, its sellers, and its buyers.

CONSIGNOR RESPONSIBILITIES

1. Consignor is responsible to provide accurately all pertinent information about the vehicle. Consignor agrees not to misrepresent any vehicles and that he has not concealed any defective item considered material by the Auction.
2. Consignors are responsible for purchasing all misrepresented vehicles and must pay all documented expenses incurred by the buyer; subject to the sole discretion of the Auction. If a vehicle is rejected for any reason, the consignor is subject to a \$55.00 reject fee.
3. Vehicles may be "withdrawn" from the sale no later than 1 pm the day prior to the sale without incurring an "ENTRY" fee. Vehicles withdrawn on sale day will be listed as pulled and will be charged an "ENTRY" fee to cover registration and handling expense.
4. Consignor warrants he/she has the right to sell and transfer the vehicle with good title, free and clear of all liens, encumbrances and California DMV penalties, which he will defend against all claims and demands.
5. Consignor warrants the vehicles comply with all applicable odometer and pollution laws unless otherwise declared.

6. Consignor warrants vehicle is in safe condition to operate on public highways. Auction reserves the right to refuse the consignment of any vehicle.
7. Consignor warrants that any repaired damage to the vehicle has been properly repaired. Auction reserves the right to refuse the confinement of any vehicle.
8. Consignor must either state a price for the vehicle or represent the vehicle as it crosses the block. If the consignor has not priced the vehicle and is not present when the vehicle crosses the block, he will be charged a \$10 entry fee.
9. A consignor, may, at check in, guarantee any vehicle whose price is \$2500 or more. These must meet all Auction guarantee policies and are subject to all Auction arbitration rules.
10. All frame damage vehicles must be announced.
11. Consignor will indemnify, defend and hold harmless the Auction its agents and employees, from and against any claims, losses damages, liabilities, causes of auction, costs and expenses including without limitation attorney's fees and expenses arising out of or resulting form the consignment, transport, reconditioning, repair, storage, sale, or transfer of ownership of consignor's vehicle or from the execution by the auction, at consignors request and on behalf of consignor, of any certificate of title, registration, odometer discloser statement, bill of sale or other documents necessary to transfer ownership of consignor's vehicle unless such claim, loss, damage, liability, cause of auction, cost, or expense resulting from gross negligence or willful misconduct of the auction.

UNACCEPTABLE VEHICLES

1. Public VIN number has been removed or altered
2. Grey market vehicles
3. Vehicles deemed unsafe (at the sole discretion of the Auction)
4. Buses or any type of multi-passenger vehicle, which carries greater than 18 passengers.

BUYERS RESPONSIBILITIES

Buyer's representation – Buyer represents that for any vehicle purchased at the Auction he or she:

1. Will pay the bid price plus the buyer's fee and draft fees where applicable. Payments must be made on the date of the sale. Buyer expressly represents that if payment is made by means of check or draft that there is then on deposit with buyer's bank sufficient funds with which to cover the face amount of the check or draft and that such funds will remain on deposit until the check of draft is presented to buyer's bank. Buyer agrees to pay a 2% service charge (of face value) or a minimum \$150.00 fee whichever is greater in the event any check or draft is returned to the Auction.
2. Will inspect the vehicle to verify the seller's representations including, but not limited to the mileage disclosure information and notify the Auction of any discrepancies as set forth in these rules.
3. Shall acquire no right or authority to sell or offer for sale any vehicle purchased until the Auction has been paid for said vehicle and the title is in fact delivered to the buyer. Buyer shall inspect the title documents to further verify seller's representations. Buyer grants a security interest to the Auction for all vehicles purchased as well as any accessories, additions, or accessories affixed thereto, until the Auction is paid in full. In the event a party is authorized to pay for vehicles after a sale date, Auction's security interest shall continue in such vehicle until Auction is fully paid. In the event that the buyer does or an attempts to transfer any right, title, or interest in all chattel paper or other proceeds from said sale, agrees further to segregate such proceeds and hold such proceeds in trust for the Auction. The Auction shall have the right to peaceably take possession of any vehicle chattel paper or proceeds relating to such vehicle for which the buyer has failed to pay.
4. Buyer has appointed the Auction as his agent for the purpose of doing all acts necessary to effectuate the transfer of seller's interest in the vehicle. Buyer will indemnify, defend, and hold harmless the Auction, its agents and employees form and against any claims, losses, damages, liabilities, causes of action, costs and expenses (including without limitation attorney's fees and expenses) arising out of or resulting from the purchase, or transfer of ownership of any vehicle or from any action taken by the Auction on the buyer's behalf in order to transfer the seller's interest in a vehicle to the buyer, unless such claim, loss, damage, liability, cause of action, cost or expense resulted from the gross negligence or willful misconduct of the Auction.
5. After the expiration of any time limitations expressed herein, the buyer will make either claim against the Auction or institute any litigation against the Auction but rather make such suits as against the seller only.

OFFERS

Consigned vehicles must first cross the block before offers will be approved by the Auction. Vehicles sold off-the-block are sold strictly "AS IS" and are not rejectable for any reason other than incorrect mileage or frame damage.

OUTSIDE SALES

The appropriate sale fees and buyer's fees are payable to the Auction on any transaction when contact is made on the Auction premises whether or not the vehicle is sold on the Auction block.

"AS IS" VEHICLES

Unless specifically guaranteed by the seller or consignor, all vehicles sold at the Auction, including but not limited to the following categories of vehicles, are sold "AS IS"

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1. Frame damage vehicles;
2. All vehicles six model years old or older;
3. All vehicles with more than 100,000 miles;
4. All vehicles offered "true miles unknown", or with broken odometer;
5. All vehicles selling less than \$2500.00 regardless of year;
6. Push or tow through cars, including frame damage and odometer;
7. Motor homes, campers, travel trailers, buses;
8. Special construction vehicles;
9. Motorcycles;
10. Boats;
11. Police cars, taxis;
12. Flood damaged cars;

13. Vehicles with major body reconstruction; and
14. Motor homes, vans, and campers accessories or appliances on motor homes. All units must comply with Department of Housing standards and must have valid assigned DOI sticker on the vehicles.

SALVAGE VEHICLES

Salvage vehicles must be specifically declared in one or two categories: Either 1. "Rebuilt" or 2. "Recovered Theft" and are sold "AS IS". Frames are not guaranteed. Frame damage on all vehicles must be announced.

GUARANTEES AND WARRANTIES

A vehicle sold with a warranty or guarantee from the consignor may not fall into the "AS IS" category. Consigners will be solely responsible for any guarantees or warranties that he or she offers.

It is the Buyer's sole responsibility to verify the terms of any such guarantee or warranty.

INSPECTION

Buyers are encouraged to inspect vehicles prior to the sale well in advanced of the vehicle crossing the Auction block. Auctioneer Buyers are responsible to understand the price that the auctioneer is offering. Any misunderstanding concerning price must be addressed before the sale of the vehicle.

Expenses- vehicles returned to the consignor for any reasons are subject to all documented expenses incurred by the buyer, subject to the sole discretion of the Auction. All rejected vehicles subject to the commissions and fees. The Auction will not reimburse any expenses on a vehicle that is returned for an odometer, which is not working.

TITLES

Any original title form the 50 states will be accepted when accompanied by the documents required for registration in the state of California. The following titling documents are not acceptable:

1. Duplicate title applications
2. Junk bill of sale
3. Lien documents, government actions (such as marshals not accompanied by title)
4. Foreign title documents
5. Salvage certificates/ bill of sales
6. Paperless title certifications and transfers
7. Print out (CVR): Print outs must be current (obtained within last 30 days) and must accompany any title with current registration, or any out of state title.