

BLACK HILLS AUTO AUCTION, INC

BUSINESS POLICIES

All dealers must be registered with the Auction prior to transacting business.

Any changes, such as ownership, authorized buyer, bank, etc., must be immediately recorded with the Auction in the form of a signed letter from the owner. Dealer registration requires yearly updates.

*** PLEASE DO NOT BRING PETS, CHILDREN OR CUSTOMERS TO THE AUCTION ***

This is a business environment open to licensed dealers only! Any dealers who have unauthorized individuals with them could lose their privileges to do business at the auction. No matter how cute or well behaved your children or pets are, they are not allowed at the auction.

Black Hills Auto Auction reserves the right to refuse anyone the use of its services.

The auction assumes no responsibility for fire, theft, or other losses or damages to any vehicles removed from the auction premises. The auction will not be responsible for the loss of any pullout equipment left in a vehicle.

All vehicles registered at the auction are subject to inspection by any appropriate authority to include state and local police. Vehicles without at least two points of identification or serial number plates will not be accepted.

All vehicles must be paid for on the day of sale. Returned checks will be charged a minimum return fee of \$100 per item.

In any case of arbitration, the decision of the auction management is binding and final.

It is both the sellers and buyers obligation to verify the accuracy of the preprinted information on the auction sales invoice as well as the announced conditions, condition lights and the hang card on the unit being offer for sale. They are also obligated to verify the accuracy of the odometer as compared to the hang card. The auction will abide by the rules and representations on our sales invoice.

SALE GUARANTEE

Day of Sale

The following guarantees by the seller exist for the day of sale only unless otherwise announced, excluding "C" vehicles that are sold AS-IS. Buyer must notify arbitration manager no later than closing time on the day sale. (\$400 or more in wholesale repairs), Drive train (to include but not limited to engine, transmission, rear end)

Sale

The following vehicles are sold "AS-IS" Red Light

1. All 2003 and older vehicles.
2. All vehicles having excess of 150,00 miles or that are sold "not actual miles" or 'odometer discrepancy".
3. All vehicles 10 years and older may be sold with miles exempt.
4. All vehicles sold for \$1,500 or less,
5. Kit cars, trailers, motorcycles, boats, repo vehicles, homemade and modified vehicles are sold "as-is" and have no odometer or frame guarantee.
6. Vehicles sold on an offer off the auction block (check vehicles before submitting offers).
8. Auction does not guarantee any manufacturers warranties, books or plates.
9. After any price adjustment through arbitration the vehicle automatically becomes "as-is".

SALE GUARANTEE

Within 14 days

The following must be announced at sale or Buyer may arbitrate on or before the 14th day after purchase (not applicable to vehicles sold for \$1,200 or less).

1. Frame damage or major reconstruction to include, undercarriage, unibody, roof and post damage (repaired items in this category must be announced).
2. Minor radiator core support damage, trailer hitches, snowplows and other accessories welded to the frame will not be arbitrated.
3. Fuel conversion, taxi's or police vehicles.

SELLER

As for any vehicle consigned or sold at the Auction, the seller represents that:

1. The vehicle is in safe condition to operate on public highways. Any unit unsafe to drive is subject to arbitration.
2. To the best of the Seller's knowledge, the condition, description, known defects, mileage and discloser statements relating to the vehicle are accurate and fully disclosed.
3. Seller must disclose if the vehicle has been in a flood or fire, has a damaged, repaired or replaced frame, is a fuel conversion or was used as a taxi or police vehicle
4. Seller has valid title clear of all liens and encumbrances. Salvage bills of sale and lien certificates will not be accepted.
5. It is the Seller's responsibility to correct any errors made in regards to the announced conditions.
6. All money due the auction may be deducted from the sale checks.

BUYER

For any vehicle purchased at the auction, the buyer represents that:

1. Buyer will inspect the vehicle to verify the seller's representatives and notify the auction immediately of any discrepancies within the Arbitration Rules. Please examine the serial number plate, model year and the mileage reading before leaving the sale.
2. Upon payment to the auction by check, that there are sufficient funds to cover check. That until payment is made, the buyer shall not acquire a title to the vehicle nor have any right to sell or offer the vehicle for sale.
3. Buyer will pay the bid price plus the buyer's fee as posted. Payment by any other means must be arranged on the day of sale.
4. Buyer agrees to be liable for any work done to a vehicle prior to receiving the title if for any reason the vehicle is later rejected.

LATE TITLES

The seller must produce to the auction a reassignable title within 7 calendar days of sale or make arrangements.

If the buyer fails to receive a title within 30 days, the buyer may return the vehicle provided a 24-hour notice is given to the auction and the auction has not

purchased the title from the seller. If the sale is cancelled for no title, the seller is responsible for the auctions fees, fees pertaining to the sale and the buyer's transportation expenses.

OUTSIDE SALES

The appropriate seller and buyer fees are payable to the auction on any transaction where contact is made on auction premises whether or not sale is made on the block.

SALVAGE OR DAMAGED TITLES

Seller must declare salvage or damaged vehicles in accordance with the state's laws. Any other damages plus vehicles that have repaired, damaged, or mended frames must be announced. All salvage or previous salvage titles must be announced prior to the sale. THE AUCTION DOES NOT GUARANTEE A "CLEAN TITLE" without damage disclosures on vehicles over ten (10) model years old.

ODOMETER DISCREPANCIES

The seller must immediately repurchase any vehicle with a documented odometer problem and pay all reasonable documented expenses incurred by the buyer and due to the auction. The buyer must present documentation supporting the problem within a reasonable period of time and return the vehicle in the same condition in which it was purchased.

VEHICLE CHECK IN

In case of any errors put on check in slips, hang cards or any other materials having to do with the sale of a vehicle, which pertains to the year of any such vehicle, the auction shall not be held liable or at fault.

All check in slips should be made out by the seller prior to sale. The auction will not hold the buyer obligated to pay for any vehicle with errors on any paperwork pertaining to the vehicle year.

REPO OFFERS

Any and all offers made on Friday, will be good until noon the following Monday. This gives the auction time to reach out of state financial institutions with offers.

THE AUCTION RESERVES THE RIGHT TO INTERPRET EACH TRANSACTION WITHIN THE BEST INTEREST OF THE BUYER, SELLER AND THE AUCTION. THE AUCTION RESERVES THE RIGHT TO VOID ANY TRANSACTION.