



ON-SITE AUCTION AGREEMENT

SELLER/CONSIGNOR

INTAKE INFORMATION

| | | | | | |
|--|------------|------|-------|--|--|
| Name | | | | <input type="checkbox"/> Seller ID | |
| Company | | | | Start Date | |
| Mailing Address | | | | Cancel Date | |
| City/State/ZIP | | | | <p>NPS Auctions, Inc. d/b/a Southern Minnesota Auctions 340 Ash Street, P.O. Box 614 Nicollet, MN 56074 507-508-5334 Auctioneer #52-23-017 auctions@surplusmn.com</p> | |
| Phone | | | | | |
| Email | | | | | |
| Preferred Method of Contact | Phone Call | Text | Email | | |
| <i>Hereafter referred to as "Seller"</i> | | | | | |

TERMS & CONDITIONS

SLIDING FEE SCALE

Seller Verifies the Following:

- They are the legal owner of the assets listed in this Agreement;
- They have the right to sell these assets and that the assets are not used as collateral on any outstanding debt;
- They have the right to receive all proceeds from the sale of these assets

Seller understands that all consigned asset(s) will sell to the high bidder when the auction closes, unless the asset was consigned with a Reserve and the Reserve was not met (see Reserve section).

Seller understands the starting bid for all lots is \$1.00

Commission will only be charged for assets that are sold. Assets that don't sell remain the property of **Seller**.

Seller understands that any asset that is abandoned or does not sell at the end of the auction is still their property. Southern Minnesota Auctions is not responsible for disposal of unsold or abandoned items.

Seller is required to provide **Auctioneer** with detailed information about the condition of every asset being consigned. **IMPORTANT:** Winning bidders are not obligated to honor a bid if the lot description and/or lot photos failed to accurately describe the asset's condition. *A fee of \$50 will be charged for every consigned asset that fails to sell due to inaccurate or incomplete information on the asset's condition.*

Seller understands there is a \$5.00 minimum commission per lot. That means if an item sells for less than \$20.00, you will be charged \$5.00 per lot. For instance, if an item sells for \$8.00, you would receive \$3.00 and Southern Minnesota Auctions would receive \$5.00. See our Sliding Fee Scale for more information.

Auctioneer will determine how to present the consigned asset(s) to bidders and on which auction the asset(s) will appear. Insight from the **Seller** is appreciated, however, discretion will come down to the **Auctioneer's** opinion and prior experience. Suggestions made after the auction posts will be considered, but not necessarily implemented.

Seller understands that an asset isn't considered sold until **Auctioneer** receives payment for the asset from the winning bidder. If a winning bidder fails to honor their bid, the asset will be processed as a **NO SHOW**. If a winning bidder fails to complete the sale due to misrepresentation of the asset in the lot description/photos as determined by the **Auctioneer**, the asset will be processed as a **NO SALE**. In both scenarios, **Seller** retains ownership of the asset.

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| FINAL VALUE | COMMISSION RATE |
|-----------------------|-----------------|
| No-Sale | No Charge |
| \$1-\$20 | \$5 Minimum |
| \$20.01 - \$500 | 25% |
| \$500.01 - \$1,000 | 20% |
| \$1,000.01 - \$5,000 | 15% |
| \$5,000.01 - \$10,000 | 10% |
| \$10,000.01 + | 8% |

Seller and/or **Seller's** agents are STRONGLY DISCOURAGED from placing bids on their own assets. Seller and/or seller's agents are expected to pay for any items won, including all taxes and fees.

Seller will receive a detailed settlement report and payment (high bid amount less commissions and fees) for sold assets within two weeks of the auction removal.

RESERVES

Seller understands that every lot on the auction will sell to the highest bidder when the auction closes, unless **Auctioneer** and **Seller** agree to place a reserve on the lot at the time the Agreement is signed. Reserves must be disclosed on the attached Description of Assets. If the high bid at the end of the auction meets or exceeds the reserve listed on the attached Description of Assets, the asset will sell to the high bidder. If the high bid is less than the reserve, the asset will not sell and will remain the property of the **Seller**.

Auctioneer allows reserves as *market dictates*. **Seller** understands that the minimum reserve allowed on an asset is \$500, however, it has been proven that reserves under \$3,000.00 are ineffective and are strongly discouraged. **Auctioneer** agrees to be transparent and honest about market values and will advise accordingly.

Seller understands the reserve on a lot may be lowered during the auction, but can **never** be increased.

Seller understands there is a **\$50 fee** charged for every non-titled asset consigned with a reserve. This fee is deducted from your settlement. *The reserve fee will not be refunded if the asset fails to meet the reserve.* If your settlement doesn't cover the \$50 fee, an invoice will be issued to you.

Seller understands there is a **\$150 fee** charged for each titled/registered asset consigned with a reserve. This fee is deducted from your settlement. *The reserve fee will not be refunded if the asset fails to meet the reserve.* If your settlement doesn't cover the \$150 fee, an invoice will be issued to you.

Seller understands any item resulting in a "no sale" due to an unmet reserve cannot be re-posted on Southern Minnesota Auctions unless it is posted without reserve, or the new reserve is below the last "real" bid.

Seller: Please list each asset being consigned with a reserve and a detailed description of any material facts about each item a bidder would need to know in order to accurately determine the asset's value. Full disclosure is required for every lot listed on Southern Minnesota Auctions.

| Description of Asset | Reserve Amount | Reserve Fee | Commission Rate |
|----------------------|----------------|-------------|-----------------|
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TITLED ASSETS

Seller understands that a clear title is required to sell a titled asset. The clear title must be signed by the vehicle owner and given to the **Auctioneer** when the Agreement is signed. If the title indicates a secured party, a lien release must accompany the signed title.

Seller understands that all documentation must be provided before the titled/registered asset can be listed. Southern Minnesota Auctions must have the documentation on hand in case an inspector with the Department of Public Safety does an inspection and requests these documents. There are no exceptions to this policy.

HALTING LOTS & CANCELLING THE AUCTION

Seller understands when an item is placed on an active auction, it will sell for the highest bid based on what the *market dictates*. If you have questions regarding the value of an item, please consult with the **Auctioneer** before committing to selling. Assets **without a reserve** can be taken off the active auction for \$50/lot; assets **with a reserve** can be taken off of the active auction for \$50/lot PLUS the reserve fee (see above).

Seller understands if an auction is cancelled within 30 calendar days before the agreed upon start date on page 1, they will be assessed a \$250 cancellation fee. If postponement is requested within 30 calendar days before the appointed start date, a \$150 fee will be assessed. An auction cannot be postponed more than once. If an auction is canceled after postponing, a \$100 fee will be assessed.

SIGNATURE

This is a legally binding document and **Seller** understands and agrees to all the terms and conditions included in this Consignment Agreement.

Seller's Signature

Date

Auctioneer's Signature

Date