



# **General Rules & Policies**

Revised February 17, 2020

## ***PARTICIPATION POLICIES***

**Dealer-Only Auction:** Only licensed Motor Vehicle Dealers or their duly authorized representatives are eligible to buy vehicles at OKI Auto Auction. **No retail customers are allowed on the lot or in the selling arena.** Any dealer bringing a retail customer into the auction risks the loss of all Auction privileges.

**Public Repo Auction:** During Repossession sales, Public (non-dealer) Buyers are permitted to bid on Repossession Units only. Public Buyers must conform to all the general rules, as well as the Rules for Public Buyers.

**Auction Disclaimer:** All representations and warranties are made by or on behalf of the Seller. Buyer is solely responsible for verifying all representations and warranties in a timely manner.

**Outside Sales:** The appropriate Sales and Buyer's fees are payable to the Auction on any transaction where contact is made on the Auction premises, whether or not the vehicle is sold on the Auction block. Such sales must be processed through the auction. All "Off the Block" sales are sold **AS IS** and are not subject to arbitration.

**Payment:** All vehicles purchased vehicles must be paid in full within three business days, sale day being day one. No vehicle may leave the premises unless paid for in full. The appropriate Sales and Buyer's fees are payable to the Auction on any transaction where contact is made on the Auction premises, whether or not the vehicle is sold on the Auction block. Such sales must be processed through the auction. All "Off the Block" sales are sold **AS IS** and are not subject to arbitration.

***\*Consigned vehicles cancelled or withdrawn on sale day will be charged all registration and/or no-sale fees.***

**Enforcement:** The Auction reserves the right to enforce, interpret, or waive these rules and policies according to the circumstances of each transaction in order to ensure equitable treatment of all parties. Any dealer found in violation of the Auction policies may be barred from the Auction at the sole discretion of auction management. OKI Auto Auction management will decide all issues of dispute.

**Participant's Release and Waiver of Liability / Assumption of Risk and Indemnity Agreement:** Dealer, its representatives, agents, and/or guests acknowledge that there are assumed risks when attending an auto auction that may cause serious injury, and in some cases death, because of the unpredictable nature of motorized vehicles and the inherent dangers of auction personnel and dealers driving vehicles, consigned or owned by the Auction, in a densely-populated pedestrian area. Knowing, or having reason to know these facts, Dealer, its representatives, agents and/or guests voluntarily assume the risk of danger of injury or death inherent in attendance at the Auction.

**Children:** For their safety, children under 18 years old will not be allowed into the Auction. Please do not leave your children unattended in the lobby.

**Possession and Risk of Loss:** Until sold, a vehicle is deemed to be in the possession of the Seller and at his risk of loss, even though it is at the Auction. Upon execution of the sales agreement by a Buyer or his agent, the possession and risk of loss transfer from the Seller to the Buyer. The Auction will not be liable for mechanical breakdown of vehicles during or after transport of the vehicle. The Auction will perform due diligence in terms of checking fluids prior to transport but will not be liable for breakdown except for Auction negligence.

**Test Drives:** Prior to purchase of a vehicle, Dealers are allowed to test drive vehicles only in the designated test drive area. Public Buyers are not allowed to test drive vehicles prior to purchase but may start vehicles in their assigned parking space. The arbitration policy is designed to give Buyers various levels of protection against mechanical issues, depending on how the vehicle is declared by the Seller. Buyers are cautioned to read and listen to all announcements as the vehicle crosses the Auction block, and to be aware that “Red-Light” (As-Is) vehicles will not be arbitrated for any mechanical issues, whatsoever.

**Vehicle Sabotage/Parts Theft/Abuse:** Any person found tampering with, sabotaging, over-revving, power braking, or removing keys from a vehicle they do not own will be subject to immediate and permanent expulsion from the Auction. Auction reserves the right to use and review audio/video documentation when investigating violations.

## **CONSIGNING A VEHICLE**

### **A few notes about successful consignors:**

*Sellers who represent their vehicles accurately, sell consistently, and set realistic prices earn the Buyers’ trust and enjoy more success at Auction.*

*Set Realistic Floor Prices: Sellers who consistently set floor prices that are not met by the bidders will soon find no one bidding on their vehicles, as they consider participation a waste of time.*

*Integrity Selling Pays Off: Properly and fully disclosing the condition of a vehicle gives buyers confidence, and will, in the long run, gain a positive reputation for the Seller and his or her vehicles. Buyers will seek out these Sellers and regularly purchase their inventory.*

You have options on how you would like to represent your vehicle. Sellers will not be paid for vehicles that are sold under the “Green or White Light”, until the mechanical arbitration time period has expired (2 hours after completion of the auction, or IF). Below you will find our light system with descriptions:



**Green Light – Ride & Drive:** Vehicles guaranteed by the seller not to have any single mechanical defect (excluding radios) costing more than \$500.00 to repair at wholesale repair cost.



**White Light - Auction Guarantee:** Seller guarantees vehicle to have good head gaskets, engine block, rods, crank, pistons, transmission, transaxle, transfer case, 4x4 and rear end. **CLUTCH, CV JOINTS, HUB BEARINGS, OIL and COOLANT LEAKS CAN NOT BE ARBITRATED.** Any mechanical condition which the manufacturer or franchised dealership’s certified technician deems normal or inherent in a particular vehicle shall not be subject to arbitration. Chrysler, Jeep, and Ford products with differential repairs and/or defects are not eligible for arbitration, regardless of seller. Honda Motor Company LTD products with driveline whines are not eligible for arbitration.



**Red Light – As Is:** Seller guarantees nothing except the vehicle is not frame (or unibody) damaged or flood damaged and has proper emissions devices and air bags.



**Blue Light – Title Attached:** Assignable title is not available at the time of the sale. Seller must announce “Title Attached” on the block and deliver the title to the auction within 28 days of the sale. If buyer does not receive a title on or before the 28th day they may give a 24-hour notice to the auction and bring the vehicle back. Buyer shall return the vehicle, in the same condition as purchased, at their expense. Seller will be charged the normal sale fees.



**Yellow Light – Caution, Announced Defects of Condition:** Vehicle is sold with pre-announced declarations, which are not subject to arbitration. This light can be used in conjunction with any other light.

## ***If and Off-Block Sales***

***If or On-Call Offers*** will be defined as a pending sale in which a high bid was recorded at the auction block but was subject to the Seller’s acceptance at a later time. If the high bidder does not desire to have his/her bid recorded as an “IF”, the bidder must immediately notify the Auctioneer of his request, ***prior to the Auctioneer starting the bidding on the next vehicle***. All recorded “IF” sales are binding for two hours after conclusion of the auction. Bid price approval after the two hours is binding to the Buyer if the buyer has not declined the sale. It is the Buyer’s responsibility to check with the Auction on the status of the “IF” bid. As long as the Seller has approved the “IF” bid within an two hours or before the buyer declines the sale, the sale is valid and binding to the Buyer. All “IF Turndowns” must be processed through the arbitration department.

***Off-Block Sales*** will be defined as either: 1) a vehicle selling to a Buyer who was *not* the high bidder recorded as the vehicle crossed the auction block; or, 2) a vehicle that has sold through the Auction, but has never crossed the block. *Lot Sales/Outside Sales* are not binding until the Buyer has signed the Auction sales receipt.

## ***SELLER’S DECLARATIONS***

Sellers are solely responsible for the accurate representation and description of each vehicle consigned and offered for sale.

**The following are some of the conditions that must be declared and are subject to arbitration on all vehicles selling at the Auction, regardless of the vehicle’s age, selling price, or whether the vehicle is being sold “As Is”. Sellers must declare the conditions listed below in writing.**

- **Odometer discrepancy, odometer exceeds mechanical limits or non-working odometer.**
- **Frame damage or structurally defective frame** (As listed in the NAAA Recommended Structural Damage Policy.)
- **Total Loss History** (Reconstructed Vehicle or Previous Salvage Title)
- **Cracked Engine Block.**
- **Flood Damage**
- **Police, Taxi, Municipal or Commercial Units**
- **Branded Title** (Any brands appearing on the title, or which *will* appear on the title).
- **Missing or Deployed airbags**
- **Non 4-wheel drive SUVs**
- **Canadian Import/Previous Canadian** (Must have a U.S title and meet U.S. standards).
- **Non-Conformance to all Federal and State Regulations**

Auctioneer should be immediately notified of any errors or omissions. Vehicles sold without proper announcements are subject to arbitration.

## ***SELLER'S RESPONSIBILITIES***

In addition to any responsibilities and required declarations stated elsewhere in this document, the Seller represents to the Buyer the following, for any vehicle consigned or sold at the auction:

1. The vehicle is properly offered for sale at the auction and all announcements/vehicle descriptions provided to the Buyer are accurate and complete. It is the Seller's obligation to correct any errors as to announced conditions.
2. Seller will be held responsible for the accuracy of any representations (verbal or written) made by Seller or auctioneer at the time of sale – independent of vehicle “light” designation or guarantee offered.
3. Mileage announcements are not required on vehicles deemed exempt from Federal/State Odometer and Title disclosure laws unless a mileage discrepancy is known or apparent to the Seller. The Seller may represent miles on exempt units - any statements made by the Seller and all known odometer discrepancies are grounds for arbitration.
4. The Seller has the responsibility to announce any state or local DMV fees, taxes or other fees due on the vehicle.
5. Even if sold “As-Is,” Seller warrants to the Buyer and the Auction that any vehicle driven through the sale will be safe to drive, regardless of Seller's disclosures. Some examples of unsafe items include, but are not limited to, fuel leaks, faulty brakes, no steering, etc. Buyer agrees that if he deems the car unsafe after inspecting it as set out below, he will bring that to the Auction's attention before removing the vehicle. The Auction reserves the right to void any such transaction.

## ***BUYER'S RESPONSIBILITIES***

In addition to any responsibilities and required declarations stated elsewhere in this document, the Buyer has the following responsibilities regarding any vehicle purchased at the Auction:

1. Buyer will inspect the vehicle prior to and immediately following the sale. The Buyer must verify the Seller's representations and notify the auction immediately of any discrepancies or within the timeframe as stated in this arbitration policy. Buyer will examine the VIN, model year, and verify odometer before leaving.
2. The Buyer will follow Auctioneer's cadence on price – any misunderstanding concerning price must be addressed at the drop of the auctioneer's hammer not following the sale of the vehicle.
3. The Buyer will inform the Auction immediately of any discrepancies as to Seller's representations, warranties, and descriptions. Please be aware that items written on a vehicle by the Seller are a representation and subject to arbitration. Arbitration will be limited to the specific defects described by the Buyer upon placing the vehicle in arbitration.
4. Buyer guarantees sufficient funds are available and will remain on deposit at dealer's bank to cover all checks and drafts. Until payment and receipt of title, the Buyer shall acquire neither title to the vehicle nor any right to sell or offer for sale.
5. Buyer will pay the bid price plus a Buyer's fee as posted. Floorplan payments must be established on day of sale.
6. Buyer agrees to be liable for any and all work done to a vehicle prior receiving a title.

## ***TITLE POLICIES***

**Title:** If the Seller offers the vehicle for sale under the “Blue-Light” (Title Absent), the Seller has 28 days from date of sale to provide Auction with negotiable title (Sale day is day #1). If the Buyer fails to receive a title within this time, the vehicle may be returned providing a **24-hour** notice has been given to the Title or Arbitration Departments. Buyer must return the vehicle in like or better condition than when purchased. If a valid negotiable title is presented within the **24-hour** notice period, the transaction will stand.

**Lost Titles:** Titles forwarded by the auction to the Buyer and not received (lost in mail) will be replaced by the auction (at buyer’s cost) and do not constitute grounds for a “late title” rejection.

**Caution:** The Auction cautions Buyers from reselling vehicles prior to receiving title from the Auction. **Buyer agrees to be liable for any and all work done to a vehicle, and all money spent on said vehicle, prior receiving a title.**

**Clerical Error:** If a title problem is due to a clerical or coding error, or incomplete documentation, the Auction shall be given reasonable time after receiving notice to have the error corrected. Rejection of a purchased vehicle under these circumstances will be at the sole discretion of the Auction.

## ***INTERNET/SIMULCAST/PIPELINE/PROXY BIDDING***

When possible, internet/simulcast bidding is provided as a convenience to our bidders. Due to inherent technology issues of simulcast, and the unpredictability of internet speed and service, the Auction cannot guarantee that a bidder's offer will be received or acknowledged by the auctioneer. It is recommended that simulcast bidders bid early to let the auctioneer know that he or she is interested in the vehicle on the block. Internet bidders who wait until the final seconds of the close of bidding may lose their bid due to internet delay. In cases of a "tie", the floor bidder will be awarded the bid. The simulcast block clerk retains the right to reverse or "override" any late internet bids, where the bid was already verbally awarded by the auctioneer to another bidder. All internet purchases are subject to the following terms of sale (in addition to all other terms set forth in this document.):

- Purchaser agrees to purchase a Post-Sale Inspection (PSI) or Sale Day Check (SDC) for all qualifying vehicles. (for details regarding PSI and SDC, see the Vehicle Inspections Policy.)
- Purchaser agrees that any online purchase, sold AS IS, can only be arbitrated for reasons stated in the Arbitration Policy
- Vehicles must be paid for on the day of purchase.
- Purchaser agrees that OKI Auto Auction is not a bailee and is not responsible for loss or damage to any vehicle or relate items while on the Auction premises or during transport.
- Vehicles shall be removed from OKI Auction premises (Including the front parking lot) no later than six days following the date of sale. Vehicles left on the Auction premises after the 6<sup>th</sup> day are subject to the applicable storage fees as set forth elsewhere in this document.
- OKI Auto Auction reserves the right to cease doing business with you at their discretion.
- Titles to any purchased vehicle will not pass to the Purchaser until the vehicle is paid for in accordance with the payment policies in this document.
- Purchaser in any online transaction agrees to purchase the vehicle for the price specified plus the buyer fee and any applicable inspection fees.
- Purchaser agrees no verify the Vehicle Identification (Serial) Number.

In cases where the Internet/Simulcast policies differ from other stated policies, the Internet policies take precedence for online transactions.

## ***ARBITRATION***

OKI Auto Auction has arbitration policies that differ from the National Auto Auction Association (NAAA) standards to accommodate for our unique market conditions and operating environment. These guidelines are used to resolve disputes between Buyers and Sellers which involve title/odometer, mechanical, flood damage, and body & frame issues.

The auction has not verified and makes no representations or guarantees as to the description, year, equipment, warranties, title status/accuracy or odometer on any vehicle sold or offered for sale. **The auction does not guarantee or get involved in any factory or dealer warranty coverage issues on vehicles sold or offered for sale at the auction. Please refer to the auction's general policies, and invoice, for further policies.**

All guarantees set forth in this Arbitration Policy are guarantees of the seller, not the Auction. The Buyer assumes the responsibility to verify all of the Seller's representations, warranties and descriptions, and to notify the Auction's Arbitration Department of any discrepancies by the end of the day of sale, or as specified in the guarantees.

### **Electronic Vehicle History Discrepancy Reports**

Vehicles cannot be arbitrated for discrepancies in Electronic Vehicle History reports such as Auto Check and Carfax. These reports are indicators a problem may exist however, arbitration will not be considered valid without further evidence a problem exists.

### ***Important reminders concerning Arbitration***

**THERE WILL BE NO ARBITRATIONS FOR ANY REASON FOR ALL VEHICLES SOLD FOR \$200 OR LESS.**

**There shall be no arbitration** unless the Buyer notifies the Auction Arbitration Manager and provides a completed arbitration form specifically identifying all covered defects; failure to direct all arbitration inquiries to Arbitration Manager or Arbitration Personnel will cause vehicle to be ineligible for arbitration. A vehicle can only be arbitrated once.

**Time Limits:** Vehicles must be arbitrated within **TWO HOURS** after the conclusion of the auction, unless otherwise stated within this document. IF SALES can be arbitrated up to **TWO HOURS** after the approval of the IF SALE. A vehicle cannot be arbitrated once it is gated off of the OKI Auto Auction lot.

**Inherent Conditions:** Any mechanical condition which the manufacturer or franchised dealership's certified technician deems normal or inherent in a particular vehicle shall not be subject to arbitration.

**Ineligible Items:** Chrysler, Jeep, and Ford products with differential repairs and/or defects are not eligible for arbitration, regardless of seller. Honda Motor Company LTD products with driveline whines are not eligible for arbitration.

**Arbitration Fees:** See the local fee schedule for amounts and handling of arbitration and inspection fees.

**Sale and Buyer Fees:** Seller may be charged the Sale Fee and Buyer Fee on a rejected vehicle if the Auction determines that there is a willful disregard for the disclosure requirements.

**Seller Notification:** The Auction will make every effort to notify Seller when a vehicle is placed in arbitration. Failure of a Seller to receive notification will not affect the validity of the arbitration.

**Vehicle Return:** If a vehicle is eligible for arbitration or rescission after it has left the Auction, the Buyer will have 72 hours to return it to the Auction in the same or better condition, unless otherwise stated in this document. The Auction may, at its discretion, allow longer if circumstances warrant.

**Arbitration Disputes:** Contested mechanical arbitration decisions will be submitted to a third party for evaluation. The third party will be a New Car Dealer for the make of the vehicle being arbitrated. If the third-party evaluation is in agreement with the Auction arbitration decision, the expense of the evaluation will be the responsibility of the dealer requesting the additional vehicle inspection. **There will be no third-party arbitrations on vehicles over ten years of age or 130,000 miles.**

## ***General Policies:***

### 1. Fair and Ethical Sale

The sales made at an Auction are intended to promote fair and ethical treatment to both the Buyer and the Seller. If Auction determines that the transaction is not fair and ethical to either party, the Seller and the Buyer agree that the Auction may cancel the sale, at its sole discretion. Federal, State and Local laws supersede these policies where applicable.

### 2. Auction Role in Sale:

- a. Auction makes no representations or guarantees on any vehicle sold or offered for sale.
- b. Auction is not a party to the contract of the sale. The sales contract is between the Seller and the Buyer only.
- c. All vehicles bought or sold on the premises must be processed through the Auction office. Failure to do so will result in suspension of trading privileges at the Auction.
- d. Auction reserves the right to review any audio/video documentation to verify the accuracy of a sale.
- e. Any vehicle consigned with the Auction is subject to government inspection, with or without prior notice, by the FBI, State Police, National Auto theft Bureau, Local Police Authorities, and any other governmental or quasi-governmental agency.

### 3. Auction VIN Policies

All vehicles consigned must have a visible public Vehicle Identification Number (VIN) plate attached to the vehicle by the manufacturer or state inspector (state reassigned VIN only). Those vehicles having a reassigned VIN plate by the State in place of the original VIN plate must be announced or will be subject to sale cancellation or Buyer return. Auction reserves the right to refuse the sale of any vehicle in which the VIN plate appears to be altered in any way.

## ***Seller Responsibilities***

1. Seller will be held responsible for the accuracy and completeness of all representations or descriptions. This includes handouts, catalogues, vehicle markings, condition information or vehicle listings, and verbal or written statements made by Seller, Auction, Auctioneer, or Selling Representative at the time of sale. This includes the condition report written by or on behalf of the Seller as per the "NAAA Generic Condition Report Position Statement". The Seller understands that the sale light/video display is a binding arbitration representation of vehicle condition, and is therefore responsible for ensuring that their vehicles sell under the correct light in the lane. Corrections to vehicle description and announcements can change up until the time the vehicle crosses the auction block. It is the Buyers responsibility to listen to all current announcements.



2. Mileage announcements are required for all vehicles. Unknown miles, exempt title, reconstruct, salvage, flood, and any other material title brands must be announced. Theft recover history, lemon law buyback history, and trade assist history must also be declared.
3. Announcements are required for any matters that relate to the safety or integrity of the vehicle including as per the stated dollar threshold and disclosure requirements stated in this policy, all requirements under local, state or federal statutes or regulations. Announcements must be made both verbally and disclosed on the Auction invoice/sale contract/bill of sale or equivalent document in a physical or online auction environment.
4. The announcement of the presence of warning lights does not exempt a Seller from arbitration responsibilities as defined by the policy. The issue/defect found to be the cause of the light may be arbitrated within the stated time period and dollar amount threshold according to this policy.
5. The availability of a manufacturer's warranty shall not affect a Buyer's right to arbitrate a vehicle. Regardless of the warranty coverage in terms of the root cause of the complaint, an announcement may be required.
6. In the event of a successful arbitration by the Buyer, the Seller is responsible for reimbursement of all reasonable documented expenses incurred by the Buyer (excluding profit and commissions) on vehicles arbitrated for undisclosed conditions. Reimbursements that qualify under these guidelines will be at the sole discretion of the Auction and will be limited to reasonable and documented expenses. There will be no expense reimbursements to the Buyer on mechanical arbitrations that are requested during the " Ride and Drive" time period, which ends at 5pm the next business day after sale. Seller will also be responsible for the Auction's arbitration fee and diagnostic expenses.
7. Seller will not be paid for vehicles in arbitration until arbitration is settled and vehicles are sold. For arbitrations occurring after the Seller has been paid, Seller is required to promptly return the payment to the Auction if the transaction is voided as a result of arbitration.
8. It is highly recommended that the Seller completes formal consignment form listing description, declarations, and floor price. Auction will not be liable for misunderstandings and errors, including selling a vehicle below the floor price, where Seller gave only verbal instruction to the auction.
9. Sellers are strongly encouraged to purchase a Vehicle Pre-Check (PC) or Vehicle Condition Report (CR) to help identify potential issues prior to offering vehicle for sale.

## ***Buyer Responsibilities***

1. Prior to placing bids, the Buyer is responsible for inspecting the vehicle, listening to and reviewing any verbal or written announcements and disclosures made by the Seller, Auction, Auctioneer, or Selling representative. Buyers are also responsible for reviewing all pertinent information available online, including, but not limited to, announcements, disclosures, condition reports, pictures and online listings. Buyers are also responsible for observing and understanding the sale lights (Green, Green/Yellow, Yellow, Red, White, and/or Blue), which identify various sale conditions for the vehicle. Once the vehicle is sold, the Buyer must review the Auction sales receipt or appropriate document to confirm the vehicle price, disclosures and announcements are correct before legibly printing and signing their name or digitally/electronically signing the Auction sales receipt or appropriate document.

2. It is strongly encouraged that a Buyer should have a Post Sale Inspection (PSI), or Sale Day Check (SDC) performed on purchased vehicles which qualify, prior to the end of arbitration deadlines. A PSI or SDC is required for all qualifying vehicles purchased online.
3. Buyer reimbursement by Seller after arbitration:
  - a. The Seller/Auction shall not be liable for any expenses before the title is received by the Buyer from the Auction. Buyers are cautioned not to sell vehicles prior to receiving the title from the Auction
  - b. There is no expense or transportation reimbursement for vehicles arbitrated during the standard arbitration period (2 hours after end of sale, or finalization of "IF" sale.)
4. The Buyer is financially responsible for any pending sale and assumes all risk of loss until arbitration is final.
5. The Buyer or Buyer's agent (transporter or driver) must document any damage on the gate release prior to removing the vehicle from the Auction or facilitation service provider's location. Auction or facilitation service provider and Seller will not be responsible for any damage not identified on the gate release once the vehicle is removed from the location.
6. The Buyer shall not surrender possession of the vehicle to any claimant, except as required by legal process, nor shall Buyer voluntarily pay or acknowledge the validity of any claim, without the prior approval of Auction. Time is of the essence. Any failure on the part of the Buyer, after becoming aware of said claim, to notify Auction of any claim in a timely manner or failure of the Buyer to cooperate in defending any such claim shall relieve Auction and Seller of any liability under this policy.
7. A vehicle is not considered returned until received, inspected and approved for return by Auction management. Any vehicle returned must be in the same or better condition as when sold. Any vehicles delivered to and left on Auction premises without Auction approval remain the sole responsibility of the Buyer. Buyer assumes all risk of loss. Vehicle must be returned in a timely manner consistent with Auction direction.
8. Auction reserves the right to reject arbitration requests on vehicles where the Buyer has accrued an unreasonable amount of miles on the vehicle prior to returning it to auction. Reasonable miles shall be determined solely by the Auction based upon the Buyer's location and circumstances.

## ***Title Arbitration Policy***

1. All titles submitted by Seller must be in Seller's company name on title or on a properly executed reassignment form. The Seller guarantees the titles of vehicles that are sold through Auction. This guarantee of the title warrants that the title shall be marketable and free and clear of all liens and encumbrances. This includes any brand (such as "salvage") noted upon the current or any prior certificate of title unless such encumbrances were announced at the time the vehicle is sold through Auction and for a period of four (4) years from the date of sale. Seller's liability under this title guarantee shall never exceed the Auction sale price (the "maximum amount") of the vehicle, and this maximum amount shall be reduced by two percent (2%) per month following Auction sale date. All liability under this title guarantee shall expire and terminate four (4) years after Auction sale date. Auction will not be responsible for any expenses incurred on vehicles returned for late title.

2. Seller warrants, represents and guarantees possession and conveyance of a certificate of title, properly executed, valid in the state where the transaction is occurring and clear of all liens and encumbrances (except current year DMV fees in California), and Seller warrants and will defend the title against the claims and demands of all persons whatsoever.
3. Titles must be reassigned directly to Buyer. Any title assigned directly to the Auction will not be accepted.
4. Seller will not be paid for vehicles until a transferable title is received.
5. Auction accepts no responsibility for non-titled vehicles sold at auction. Seller must announce the vehicle is being sold with a bill of sale only and that there is no title to transfer. All non-titled vehicles and equipment will be sold "As-Is."
6. If the title problem is due to a clerical or coding error, or incomplete documentation, Auction shall be given reasonable time after receiving notice to have the error corrected.
7. Paperless titles will not be accepted.
8. Where legal by municipal and/or state law, any vehicle being offered for sale with a foreign (non-US) title must be disclosed prior to the sale by the seller. Disclosure requirements and time limits are subject to local Auction title policy. Vehicle must be legal to sell in the United States.
9. Seller has a maximum of 28 days (sale day is day 1), to provide negotiable title to the Auction if the vehicle was run under the Blue-Light (Title Absent). If title has not been received by Auction after 28 days, it is the Buyer's option to return the vehicle. A 24 hour notice to the Auction is required of the Buyer in order that the Auction may make a final attempt to obtain the title from the Seller. The Buyer may give notice of intent to return the vehicle on the 27th day after sale
10. In regard to defect in title, and in any matter relating to odometer mileage, odometer statements, or damage disclosure statements: Seller and Buyer agree to indemnify and hold harmless Auction from any liability, loss costs, damage or expense, including attorney fees which may arise either directly or indirectly from the sale and purchase of the consigned vehicle including but not limited to title services provided.
11. Whenever any claim is made by any person against the title of a vehicle, whether by suit or otherwise, the Buyer, after becoming aware of said claim, shall immediately notify Auction. This involves giving full particulars of claim, cooperating fully in defending any legal action, and in taking other steps to minimize possible loss.

### ***As-Is Vehicles (Sold under Red Light)***

"As-Is" vehicles cannot be arbitrated except for title issues or multi-day arbitrable items as listed in the next section. Vehicles that meet any one of the following conditions are sold "AS-IS":

1. Any vehicle announced "As-Is"
2. Any vehicle sold for **\$1300** or less
3. Recreational vehicles, boats, buses, motorcycles, dune buggies, trailers, snowmobiles, jet skis, antiques, and kit cars.
4. Push or tow through units
5. All taxis, governmental or municipality vehicles

## **Multi-Day Arbitrable Items**

### **Multi-Day Arbitrable Items**

Vehicles that have any of the following defects, conditions or discrepancies that were not disclosed or announced at the time of the sale and were sold for over \$200 must be reported to the Auction, within the time listed below, after the vehicle was sold at the Auction, in order to be eligible for arbitration. Vehicles must be returned to the Auction in the same or better condition than when purchased. Expense reimbursements will be at the sole discretion of the auction and will be limited to reasonable and documented expenses and transportation only. Lost profit, commissions, floor-plan expenses, vehicle upgrades, and reconditioning, etc. will not be reimbursed. Sale day is Day 1.

### **SEVEN-DAY ARBITRABLE ITEMS**

1. **Frame/Unibody Damage** - Defined by the Auction with reference to the NAAA standards.
  - Minor components welded or removed from frame (trailer hitches, bumpers, etc.) are not considered frame damage unless they have compromised the structural integrity of the vehicle.
  - Lowered/Raised vehicles must be announced and are subject to frame damage guarantees if frame is altered.
  - Minor dents in frame/structure that do not affect the structural integrity of the frame will not be considered frame damage.
2. **Flood and Fire Damage** – Defined by the Auction with reference to the NAAA standards.
3. **Fuel/Engine Conversions and Replacements** – five-year-old vehicles or newer
4. **Former taxis, government or municipal vehicles.**

### **48-HOUR ARBITRATABLE ITEMS**

1. Vehicles not conforming to all federal regulations

### **24-HOUR ARBITRATABLE ITEMS**

1. Non-working odometers
2. All titles discrepancies- 24hrs after receipt of title

### **Buyer Verification Prior To Bidding:**

- Verify the accuracy of any information in catalogs, handouts, web-sites, or windshield tags.
- Announcements may change up until the time the vehicle crosses the auction block. Buyer is responsible for listening to all current announcements made by the Auctioneer and to observe the Green, White, Red, Yellow, and Blue light codes and other announcements displayed on the lane monitor.
- Misunderstandings between Bidder and Auctioneer must be brought to the Auctioneer's attention immediately after the bidding ends on a vehicle and prior to the start of bidding on the next vehicle.

### **Buyer Verification After Vehicle Sold By Auctioneer:**

- **Before signing the sales invoice** – Verify vehicle description, odometer disclosure, bid price, and announcements. Any discrepancies must be resolved before signing the invoice.
- **Before leaving the Auction on sale day** – Verify vehicle year, make, model, equipment, condition, and odometer reading.

- **Before accruing any charges other than transport** – Verify that the vehicle has no flood or structural damage or repair, no covered mechanical defects (*if sold with guarantee*), the odometer is operational, and that the buyer has obtained title from the Auction.

## **PAYMENT**

**Payment Options:** Newly registered dealers with the Auction will be required to pay by cash or cashier’s check. A dealer may apply for check writing privileges by submitting a completed “Bank Letter”, which can be obtained from the office. When approved, checks must be written on the Dealer’s business account, which must be in the same name as they have registered with the Auction.

All vehicles must be paid for within three business days, sale day is day 1. No vehicle may leave the premises unless paid for in full. Payment must include bid price, Buyer’s Fee, and all other applicable fees and charges. Any payment made after the specified payment date will result in a \$50 charge for every 7 days late.

- **Company Check:** A dealer may pay for vehicles with company checks *ONLY* after they have been approved by the Auction for check writing privileges; checks must be drawn on the buying Dealer’s *business* account. One check should be submitted for each vehicle. The Auction will deposit your check when the title is received by Auction.
- **Inventory Financing:** The Auction provides several outside inventory financing programs to preapproved dealers.

**Returned Check Policy:** A returned item charge of \$150.00 will be assessed on all returned drafts and checks. All returned items must be paid within 24 hours by cashier’s check, or cash, or:

- Notice will be sent to the Bonding Company & DMV;
- Buyer privileges will be restricted; and
- Interest will be accrued at the highest legal rate from the date of return. Buyer privileges of repeated abusers of the draft/check policy will be revoked.

**Storage Fees:** Vehicles left on the Auction premises for more than ten days after purchase or after cancellation of consignment shall be subject to a storage fee of \$10/day.

## **INELIGIBLE VEHICLES**

Vehicles meeting any of the following conditions cannot be offered for sale:

1. A vehicle with an altered or missing V.I.N. plate
2. A vehicle with a salvage title
3. Grey market vehicles
4. Unsafe vehicles (as determined by the Auction)
5. Vehicles without clear U.S.A. titles

## **GRAY MARKET (CANADIAN) VEHICLES**

1. Only vehicles made in North America for Canadian use and properly converted to U.S. specifications can be sold. No other Gray Market vehicles are accepted for sale.

2. Sellers must inform the auction that a vehicle is a Canadian vehicle at time of registration and must disclose that to the Buyer in writing as an announced condition on the block ticket.
3. If a vehicle was manufactured in Canada for the U.S. Market, there must be a Manufacturer's Certification Label affixed to the vehicle. This label must clearly state the vehicle was in conformance with federal safety standards on the date of manufacture.
4. If a vehicle was manufactured in Canada for the Canadian Market, the Manufacturer is required to obtain and affix a U.S. Safety Standard Certification Label to the vehicle.
5. All other vehicles imported from Canada, must be imported through a Registered Importer. Registered Importers are required to post a bond with the U.S. Department of Transportation. All vehicles imported through a Registered Importer must have:
  - U.S. Safety Standard Certification Label that identifies the Registered Importer
  - Safety Defect Recall Insurance Policy issued by the Registered Importer. This insurance policy must be with the vehicle and remain in effect for eight (8) years from the date of issuance by the Registered Importer.
  - Valid U.S. Title
6. All Canadian vehicles, whether imported by a Manufacturer or a Registered Importer, must show miles per hour on the speedometer and miles traveled on the odometer. Title 49, United States Code, Chapter 327, Section 32704, allows replacement of odometers without a doorframe sticker if the conversion from kilometers to miles can be done without changing the distance traveled by the vehicle; therefore, replacement of an odometer under these circumstances does not have to be announced by the Seller.