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## AUCTION RULES & ARBITRATION POLICIES

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AGREEMENT TO AND COMPLIANCE WITH THESE RULES AND POLICIES IS A CONDITION OF PARTICIPATION IN THE AUTONATION AUTO AUCTION. LACK OF KNOWLEDGE OF RULES/POLICIES WILL NOT RELEASE DEALERS OF THEIR OBLIGATION TO ABIDE BY THESE RULES

### Hours of Operation

: Vary by location and will be clearly posted. Please contact Auction for further information.

### General Information

- : As used herein the term "AutoNation" shall refer to AutoNation Auto Auction.
- : When determining the number of days elapsed as set forth herein, "Sale Day" with respect to any particular vehicle or for purposes of computing timelines, shall be defined as the date on which a vehicle passes through the auction and is purchased by a Buyer. Sale Day is defined as day of sale (Los Angeles); day following sale (Houston/Orlando). Business Day example: a vehicle is purchased on Thursday, 2 business days from the Sale Day would be the following Monday if the auction is closed on Saturday and Sunday. Therefore, any action required to be completed within "2 business days of the Sale Day" must be completed by close of business on Monday in this example. In case of a Monday holiday in which the auction is closed, the second business day would be Tuesday following the Sale Day. Calendar Day example: a vehicle is purchased on Thursday, 2 calendar days from purchase would be the following Saturday.
- : Speed limit on the lot is 5 mph.
- : No person under 18 years of age allowed.
- : If a Dealer is caught bringing in retail customers/unauthorized personnel onto AutoNation Auto Auction property, your buying/selling privileges will be suspended for that week or that particular day. If the day is a sale day, you will be liable for all purchases/sales prior to suspension. If you are caught a second time then you will be barred from AutoNation Auto Auction.
- : The sales made at AutoNation Auto Auction are intended to promote fair and ethical treatment to both the Buyer and the Seller.
- : If AutoNation determines that the transaction is not fair and ethical to either party, the Seller and the Buyer agree that AutoNation may cancel the sale, at its sole discretion. Federal, State, and Local laws supersede these policies where applicable. This provision also applies to any clerical or administrative error made by AutoNation. Any arbitration conducted at AutoNation is subject to the Terms and Conditions.
- : Sold vehicles must be removed in a timely manner. If not removed, vehicle(s) will be subject to tow at owner's expense. Removal deadlines vary per location:
  1. Los Angeles - remove by 9pm Thursdays
  2. Orlando - remove by 9pm Wednesdays
  3. Houston - remove by 7pm Wednesdays
  4. Atlanta - remove by 9pm Wednesdays
- : If you purchase a car and remove the key and leave the car in the auction lanes, there will be a storage fee charged per day if the car isn't removed within two (2) calendar days after Sale Day. If possible, we will tow the unit(s) to the front parking lot.
- : AutoNation Auto Auction is not responsible for windows being left open and vehicles getting flooded on "Sold" units not removed from the premises following the sale.
- : No vehicle may leave the premises without correct paperwork.
- : Any vehicle left on the property will be subject to tow, at owner's expense, if not removed when requested to do so.
- : All vehicles on the Auction premises are subject to search.

# **AutoNation**

## **AUTO AUCTION**

- : AutoNation Auto Auction will prosecute all persons for theft or tampering of vehicles.
- : Any damage/theft sustained to vehicles not removed from the Auction premises following the sale is not the responsibility of AutoNation Auto Auction and you assume all liability and responsibility for such acts.
- : Damage caused to any vehicle(s) by a Dealer (or its authorized representatives) in excess of \$250 shall result in the purchase of the vehicle(s) in the amount of the lesser of: a) the consigning Dealer's protect price, or b) the Kelley Blue Book wholesale value of the vehicle(s).
- : All vehicles consigned must have a public Vehicle Identification Number (VIN) plate attached to the vehicle. Those vehicles having a reassigned VIN plate by the State in place of the original VIN plate must be identified and announced or will be subject to sale cancellation or Buyer return. AutoNation reserves the right to refuse the sale of any vehicle in which the VIN plate appears to be altered in any way.
- : Seller guarantees VIN plates and years on any vehicle up to 20 model years old with the exception of the VIN plates and year on trailers, RVs, and watercraft, which are guaranteed up to 10 model years.
- : Any missing public VIN must be arbitrated before the unit leaves AutoNation Auto Auction property.
- : AutoNation Auto Auction assumes no responsibility for lost/stolen radios, equipment, or lot damage.
- : Face Plates and vehicle equipment not collected one week after sale will be forfeited.
- : A fuel fee will apply if AutoNation Auto Auction supplies fuel to any vehicle that must be moved.
- : AutoNation Auto Auction makes no representations or guarantees as to the description, equipment, warranties, service policy, title status/accuracy, or odometer on any vehicle sold or offered for sale.
- : AutoNation Auto Auction is not bound by information listed in Electronic Data Vehicle Histories (EDVH) (i.e. Carfax, AutoCheck, etc.) and any vehicle may not be arbitrated solely on EDVH data. AutoNation may investigate vehicle history based on information found in EDVH for information that may impact arbitration.
- : AutoNation Auto Auction is not a party to the contract of the sale. The sales contract is between the Seller and Buyer only. The Seller is required to give the Federal Odometer Mileage Statement in connection with any auction sale as required by the Motor Vehicle Information and Cost Savings Act of 1972 or any other applicable laws. AutoNation is not responsible for the accuracy of odometer readings, odometer statements, or damage disclosure statements. 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 AutoNation.
- : AutoNation Auto Auction reserves the right to record by video, audio or any combination thereof, all activity on the AutoNation Auto Auction Premises. You hereby consent to such recording for yourself and your employees, agents, guests or invitees permitted by AutoNation Auto Auction. You further agree to defend and indemnify AutoNation from any and all claims, damages, liabilities, costs and expenses including attorneys' fees arising from AutoNation's recording of your activity or that of your employees, agents, guests or invitees while on AutoNation's premises. AutoNation may review any audio/video documentation or recordings to verify the accuracy of a sale or for any other permitted purpose.
- : Vehicles are not subject to arbitration if they exceed 20 model years, with the exception of trailers, RVs, and watercraft, which cannot be arbitrated if they exceed 10 model years. Kit vehicles, homemade vehicles, or modified vehicles are sold "AS-IS" and cannot be arbitrated for odometer, structural damage, VIN plates, warranty books, or model year.
- : All vehicles registered/sold at AutoNation Auto Auction are subject to inspection, with or without prior notice, by the FBI, State Police, National Auto Theft Bureau, Local Police Authorities, any other governmental agency, or quasi-governmental agency.
- : Any vehicle sold that becomes subject of an investigation by a state agency for "cloning" of VIN plates will be unwound. AutoNation accepts no responsibility to the Seller or Buyer for such matters. Seller is responsible for ALL expenses/legal fees.
- : The Buyer is responsible for listening to announcements related to each vehicle, made by the Auctioneer or Selling Representative, prior to the start of the sale.
- : All guarantees as stated by the Seller are those of the Seller only.
- : Any units sold to a registered "foreign dealer" will have the license plates removed before leaving the auction. Quarterly audits will be conducted & any unit found to have been registered in the state where the auction is located after having been sold through AutoNation Auto Auction, that buying Dealer will be suspended.
- : A registration fee per sale may be charged to wholesale consignment Dealers.

# **AutoNation**

## **AUTO AUCTION**

***AUTONATION AUTO AUCTION SHALL NOT BE LIABLE FOR ANY PERSONAL INJURY OR PROPERTY DAMAGE CAUSED BY ANY ACT OF GOD OR OTHER FORCE MAJEURE EVENT INCLUDING BUT NOT LIMITED TO, FIRE, HAIL, STORMS, FLOODS, OTHER NATURAL DISASTERS, OR ACTS OF TERROR.***

### **Registration**

- : Dealers must be registered prior to attending the Auction.
- : Dealers must check in on the day of sale and be issued a bidder badge.
- : Dealer representatives must obtain a bidder badge for each Dealer they represent.
- : All representatives must have a valid salesperson's license where applicable.
- : All registered Dealers are responsible for understanding all rules, policies, & fees.

### **Payment / Check Policies**

- : Acceptable forms of payment: approved business checks, cashier's checks, certified funds, or authorized Dealer flooring. Credit card payments will be accepted for miscellaneous charges but may not be used for vehicle purchases.
- : All vehicles must be paid for within two (2) business days following the Sale Day. A late payment fee (per car, per day) & a storage fee (per car, per day) will apply.
- : No cash will be accepted.
- : No temporary checks accepted. Business name and address must be imprinted on the check.
- : Business checks used for payment of vehicles must match the purchasing Dealer's name.
- : The phrase "Do not deposit - will replace with cashier check" (or similar) may not be written on checks.
- : Checks returned for non-sufficient fund, the Dealer will be evaluated and upon evaluation may result in termination of all check writing privileges.
- : A Returned/Dishonored Check Fee will be assessed on all returned checks.
- : Any problem checks will be referred to Auction Insurance Agency (AIA) and may result in your company being restricted from doing business at other auctions. AIA is a National Bond Insurance Agency and reports problem accounts to auctions.

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### Buyer's Responsibility

- : Owner of the company conducting business is responsible for all transactions conducted by its representatives.
- : Dealer must notify AutoNation Auto Auction, in writing, of any changes in authorized representatives, or ownership structure. Failure/neglect to notify AutoNation Auto Auction in writing will not release Dealer's obligation. Dealer is responsible for any and all transactions conducted by its representatives.
- : All bids must be honored. Buyer's failing to pay for vehicle(s) will be barred from AutoNation Auto Auction. AutoNation Auto Auction will file against Dealer bond to recover any losses incurred.
- : It is the Buyer's responsibility to closely follow the chant and cadence of the auctioneer.
- : Any disputes in purchase/selling price must be reported to the auction General Manager within 14 calendar days of Sale Day.
- : Buyers must arbitrate flood damage/possible flood damage within seven (7) calendar days of Sale Day purchase.
- : When the auction scans a VIN the VIN explosion data at times may be incorrect giving the wrong trim level. It is the Buyer's responsibility to confirm the trim level on a unit. The auction will not be responsible for an error in trim level data.

### Seller's Responsibility

- : Owner/Principal of the company conducting business is responsible for all transactions conducted by representatives.
- : Seller must notify, in writing, AutoNation Auto Auction of any changes in authorized representatives, or ownership structure. Failure/neglect to notify AutoNation Auto Auction in writing will not release the Seller's obligations. Seller is responsible for any and all transactions conducted by its representatives.
- : Seller is responsible for all announcements (i.e. prior rental, flood damage, TMU, salvage title, gross polluter, exceeds mechanical limits, lemon law buy back, police or government vehicle, structural damage, AutoCheck announces structural damage, etc.)
- : Seller guarantees to provide clean title to AutoNation Auto Auction unless announced.
- : Seller guarantees miles unless otherwise announced.
- : Seller guarantees Frontline vehicles, including smog and safety.
- : Seller guarantees all vehicles sold with fewer than 100K miles or any unit sold for more than \$12K against structural damage unless announced.
- : All cars can be sold within \$200 of floor price.
- : Seller abides by all disclosure policies.
- : Seller agrees to pay for all outside inspection services (if cannot be performed at AutoNation Auto Auction) on vehicles in arbitration.
- : Remarketing companies are required to disclose if the unit they are offering for sale is "not a new car store trade".

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**Titles**

- : Seller Title Responsibilities: All titles submitted by Seller must be in Seller's company name on title or on a properly executed reassignment from. The Seller guarantees the titles of vehicles that are sold through AutoNation. This guarantee of the title warrants that the title shall be marketable and free and clear of all liens and encumbrances.
- : Seller's Title Guarantee: Sellers warrant, represent and guarantee that they have and will convey 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), and that Seller will warrant and defend the title against the claims and demands of all persons whatsoever.
- : Auction Right to Remediate Clerical Error: If the title problem is due to a clerical or coding error, or incomplete documentation, AutoNation shall be given reasonable time after receiving notice to have the error corrected (not to exceed 45 days).
- : Title Assignment: Title must be reassigned directly to Buyer. No title assigned directly to AutoNation will be accepted.
- : Payment After Title Receipt: Seller will not be paid for vehicles until a transferable title is received.
- : Non-titled Vehicle Rules: All non-titled vehicles and equipment will be sold "As-Is".
- : Title Not Permitted: Applications or other documents related to a duplicate title will not be accepted (unless announced as such or if allowed by the appropriate jurisdiction). Foreign titles, such as Canadian titles, are unacceptable.
- : Seller Title Disclosures (subject to AutoNation Auto Auction Title Policy): Any and all "Title Brands" or discrepancies which may affect a vehicle's value must be announced. Some examples include, but are not limited to: salvage, previous salvage, not actual miles, odometer replacement, lemon law, rental/for hire, reconstructed, stolen vehicle, exempt, theft recovery, flood/fire histories, state-required disclosure requirements and insurance transfers.
- : Auction Title Indemnity: 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 AutoNation Auto Auction from any liability, loss costs, damage or expenses, 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.
- : Buyer Delivery Responsibility: AutoNation will not be responsible for titles mailed from AutoNation and not received by the Buyer. Buyer has the choice of alternative delivery method and must request and pay AutoNation for such service.
- : All titles will be examined by AutoNation Auto Auction and if correct will be processed. All incomplete titles will be returned to the Seller unprocessed.
- : Seller will be paid within forty-eight (48) hours of title being processed (excluding weekends).
- : Walk-up title window is limited to five (5) titles. These titles will be processed on a first come, first serve basis.
- : Seller must provide title within forty-five (45) calendar days of Sale Day. Vehicles with late titles are subject to arbitration - unwind.
- : Any title not received free and clear at AutoNation Auto Auction within one-hundred twenty (120) calendar days from the Sale Day will be considered "No Title Available." All reconditioning expenses incurred by the Buyer will be reimbursed by the Seller.
- : In the event a vehicle is being returned for late title, the title is presented free and clear before the unit arrives at AutoNation Auto Auction, the vehicle WILL NOT be subject to unwind/arbitration for late title. If the vehicle arrives before a title is presented free and clear, that vehicle can be arbitrated for late title. If auction is notified of a vehicle being returned for late title the Buyer has 24 hours to bring the unit back to auction. If title arrives within those 24 hours, unit is still subject to unwind/arbitration.

**AutoNation**  
**AUTO AUCTION**

- : When a unit being arbitrated by a Buyer for late title is located greater than 100 miles from the auction, the unit may be unwound whether the title is present or not.
- : AutoNation Auto Auction reserves the right to automatically reverse any transaction where title is not received free and clear within one-hundred twenty (120) calendar days of Sale Day.
- : Sellers are responsible for any state specific DMV penalties/fees and/or registration fees that are due at time of sale.
- : A Salvage Title must be provided by the Seller for vehicles sold and announced "Salvage Title".
- : Vehicles that have salvage retention/certificate must be announced.
- : All units purchased by foreign dealers will have the title stamped "FOR EXPORT ONLY".
- : Any unit 5 years or newer must announce "government title" if so issued.

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**Arbitration Policies**

**General**

- : All arbitration and business policy issues must be brought to the attention of the General Manager or Assistant Manager.
- : All arbitration time frames include day of sale (Los Angeles); next business day after Sale Day (Houston/Orlando).
- : Process: The arbitrator will inspect only the defect(s) which are on the arbitration form/documents. Each vehicle transaction is allowed one chance at mechanical, electrical, or cosmetic arbitration. If price adjustment is made and accepted, vehicle becomes "As-Is" property of the Buyer, and is not subject to any further arbitration for mechanical, electrical, or cosmetic defects or adjustments. The decision of the arbitrator is final and binding to both Buyer and Seller.
- : Payment in Arbitration: 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 AutoNation if the transaction is voided as a result of arbitration.
- : Return Process: A vehicle is not considered returned until received, inspected, and approved for return by AutoNation management. Any vehicle returned must be in the same or better condition as when sold. Any vehicles delivered to and left on AutoNation's premises without AutoNation's written approval remains the sole responsibility of the Buyer. Buyer assumes all risk of loss and will indemnify AutoNation against same.
- : The Buyer is financially responsible for any pending sale until arbitration is final.
- : If a vehicle is arbitrated, it must be returned to AutoNation Auto Auction for inspection before it can be unwound.  
Fees: AutoNation reserves the right to assess an arbitration fee to the Buyer. Any arbitration must be properly documented in writing and signed by the arbitrator. If the arbitration is valid, AutoNation reserves the right to assess an arbitration fee to the Seller. This fee is in addition to any charges associated with the arbitration procedure; such as check out fees at a specialty shop or transportation costs to and from a garage, etc.
- : An Arbitration Inspection Fee shall be charged to the Buyer for a full inspection which includes equipment operation.
- : Parts and Labor charges are based on an Industry Stand Labor Time Guide (Mitchell's/ Motors).
- : As-Is: Any in-lane or online vehicle sold "As-Is" is NOT subject to mechanical, electrical, or cosmetic arbitration. As-Is selling price, model years, and mileage is subject to AutoNation Auto Auction's policies.
- : Unsafe Vehicles: AutoNation reserves the right to reject any vehicle (for sale) that management judges to be unsafe. AutoNation Auto Auction is under no obligation and assumes no liability for inspecting or determining the safety of any vehicle.
- : 4x2 Disclosure Rule: All multipurpose and utility-type vehicles are assumed to be 4x2 unless otherwise announced. However, if a 4x2 multipurpose, utility-type vehicle or pickup has been altered in appearance or stance to resemble a 4x4, a 4x2 announcement will be required. Examples include: new badges, raised suspension, and off-road tires.
- : Manufacturer's Warranty: The availability of a manufacturer's warranty shall not affect a Buyer's right to arbitrate a vehicle.
- : Auction Notice: 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 AutoNation. Time is of the essence. Any failure on the part of the Buyer, after becoming aware of said claim, to notify AutoNation of any claim in a timely manner or failure of the Buyer to cooperate in defending any such claim shall relieve AutoNation of any liability under this policy.

# **AutoNation**

## **AUTO AUCTION**

- : Branded title issues, unless announced at the time of sale, may be arbitrated.
- : Tire sensor indicator lights are not included.
- : Mechanical/service light not included.
- : Emission systems are not covered and will not be arbitrated.
- : No warranty is expressed or implied. This is NOT a safety check. Dependent upon the condition and the announcements that were made regarding this vehicle, there may be no arbitration. Please refer to rules and policies for specific details regarding arbitration. The AutoNation General Manager's decision is FINAL. The results of the PSI may or may not result in arbitration.
- : Online purchase rules apply. See auction policy.
- : Vehicle odometer may not exceed 100 miles from date of purchase in relation to vehicles purchased under the Pre-Sale Inspection Program and vehicles that have been Post Sale inspected. If mileage driven exceeds 100 miles mechanical guarantee is voided.
- : Odometer issues must be brought to the attention of AutoNation Auto Auction within two (2) business days following the Sale Day.
- : Speedometers will not be arbitrated.
- : Insignificant oil seepage will not be arbitrated.
- : An unwind fee (in the amount of the buy fee for that unit) shall be assessed to the Seller for a vehicle that is unwound.
- : An arbitration inspection fee shall be assessed to the Buyer for arbitration of a specific matter. Inspection is limited to the issue that is being arbitrated only. No charge if the vehicle is unwound.
- : Book-out sheets on vehicles will not be arbitrated. Book-out sheets are to be used as a guide only. Buyer is responsible for booking out vehicles.
- : Window announcements (i.e. miles/year/stickers etc.) are provided as a courtesy only. It is the Buyer's responsibility to check and verify the information. This matter will not be arbitrated.
- : Any Dealer that sells a unit (knowingly/unknowingly) through misrepresentation of identifying window stickers/labels (i.e. MTS Guarantee, AutoNation decals, franchise dealership decals, fleet/lease decals, etc.) on any window is subject to unwind.
- : AutoNation Auto Auction will only arbitrate "Prior Rentals" that are current year and two (2) model years prior.
- : Buyer must notify AutoNation Auto Auction regarding unannounced "Prior Rental" within seven (7) calendar days of purchase.
- : Any unit that displays an emblem/logo/decal that misrepresents the make and model of a unit is subject to unwind (trim levels will not be arbitrated). Day of sale only - cannot have left AutoNation Auto Auction property.
- : Missing/deployed (not replaced) airbags may be arbitrated (Los Angeles - Sale Day only; Houston/Orlando - next business day following Sale Day). Unit must not have left the auction facility.
- : Vehicles being arbitrated for airbag/SRS issues will have a full Airbag/SRS Diagnostics fee charged to the Buyer, regardless of the outcome, if full diagnostic is required.
- : Any unit that has been inventoried for sale and inspected by AutoNation Auto Auction and is not offered for sale that auction sale day will be charged a pre-sale Inspection Fee.
- : Units that have electronic data showing stolen/theft recovery can only be arbitrated on day of sale.

### **Paint/Body Work**

- : It is the Buyer's responsibility to check all body and paint work. This matter will not be arbitrated.
- : Paintwork, which may be disclosed on CR (Condition Report), will not be announced in lanes as this is a "visual" item and is the responsibility of the Buyer (except current and newer model years).
- : Complete color change must be announced on 5 model years and newer - arbitration within seven (7) calendar days of Sale Day.

## Structural

- : Any unit sold “As-Is” with the announcement TMU cannot be arbitrated for structural damage – unless purchase price exceeds \$12,000.
- : Structural Damage inspection process is to National Auto Auction Association standards. No other standards will be considered.
- : Any vehicle sold for \$12,000 (not including buy fee) or more may be arbitrated for structural damage, regardless of miles.
- : Vehicles with the “AutoCheck Announces Structural Damage” declaration will be sold in the “As-Is” section. Any unit that is consigned or sold with an unannounced AutoCheck Structural Damage is subject to unwind within seven (7) calendar days of Sale Day.
- : If necessary, vehicles being arbitrated for structural damage may be subject to Third Party “Laser Inspection” conducted by a facility designated by AutoNation Auto Auction. Depending on the outcome, the Seller/Buyer will be responsible for the inspection fee and all associated costs.

## Structural Policy

- : Per NAAA, the following structural policy will be effective immediately. This policy is quite complicated & all NAAA member auctions have adopted this policy.
  1. AutoNation will adopt the “Is It Frame” rule. The “Is It Frame” rule is subjective & is based upon visual examination, size, location, component, & degree of damage.
  2. Quarter panels – a considerably large percentage of vehicles in the past that have had quarter panels replaced or had C pillar damage, will now, more than likely, not be considered structurally damaged as determined by the website [isitframe.com](http://isitframe.com). This website will also define whether the quarter panel or C pillar damage is considered structural.
- : NAAA rules will be applied & enforced & no other opinion outside of the NAAA policy will be taken into consideration.
- : All prior vehicle structural damage/frame history from electronic databases (i.e. AutoCheck) will remain. We will not override or change the information & will continue to announce prior history.
- : DUE TO THESE NAAA STRUCTURAL POLICY CHANGES, IT IS HIGHLY RECOMMENDED THAT YOU BECOME FAMILIAR WITH THIS POLICY & RELAY THIS INFORMATION TO YOUR BUSINESS ASSOCIATES (i.e., TECHNICIANS, MECHANICS, ETC.) AS MANY OF THEM WILL NOT BE FAMILIAR WITH THE NEW CHANGES.
- : Rust - only structural components can be arbitrated, but must exceed 25% deterioration on a structural component. This policy falls into the structural damage policy.

## Mechanical/Transmission/Drivetrain

- : Any unit in arbitration for mechanical issues, if need, will be sent to an authorized Dealer of auction’s choice for inspection. Dependent on outcome of inspection, the Buyer/Seller will be responsible for all fees associated including transportation.
- : Missing catalytic converters can only be arbitrated where state requires smog inspection. Seller is responsible for disclosure. Arbitration is only valid on Sale Day & unit must not have left the auction. Buyers place of business will determine arbitration.
- : Motor/transmission arbitration will be limited to “internally lubricated” parts only.
- : The following will not be arbitrated unless the items require immediate replacement:
  1. Lifters
  2. Insignificant transmission and drivetrain shift shock, noise, or backlash.
- : Manual Transmissions: Vehicles with standard transmissions cannot be arbitrated for manual clutches and components unless the defect will not allow a test drive.
- : Wearable Items: AutoNation will not arbitrate vehicles for wearable items. For purposes of this policy, wearable items are defined as parts of the vehicle that the manufacturer recognizes the need for replacement/adjustment during the

# **AutoNation**

## **AUTO AUCTION**

expected life of the vehicle. Items are normally identified in the Owner's Manual for routine check and replacement and would include, but not limited to: tires, wipers, brake pads, shoes, rotors, belts, hoses, lubricants/fluids, timing belts, bulbs, filters, shocks and struts.

- : Front or rear independent differential cannot be arbitrated if operable.
- : Vehicles equipped with 4 Wheel Drive will not be arbitrated for issues if 4x4 system is operable.

### **Engine Replacements**

- : Buyer has seven (7) calendar days from Sale Day to arbitrate and must provide substantial documentation proving the engine has been replaced.
- : Engine replacement (including non-original replacement) is the sole responsibility of the Seller and must be announced on vehicles five (5) years or newer.
- : Engine replacements on MTS Guaranteed units must be announced regardless of age and mileage.

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**Reimbursement of Fees**

- : No reimbursement of any kind will be granted under the following (in some cases transportation fee may be considered; it is recommended that a PSI is done prior to transport):
  1. Units returned for structural damage
  2. Units returned and subsequently unwound for electronic data issues (unless record posted after purchase)
- : Transportation invoices will be paid by Seller.
  1. Transportation reimbursement is only from AutoNation to registered place of business (or vice versa)
  2. Transportation will not be paid for distances greater - unless vehicle is an unwind for issues such as TMU/salvage, etc. that were not announced at time of sale
- : All vehicle reconditioning expense reimbursements for late title claims must be accompanied by valid supporting documentation. Such expenses will be reimbursed up to a maximum of 5% of the vehicle purchase price plus any transportation costs.
- : AutoNation Auto Auction, or the Seller, will only be obligated for documented reconditioning expenses incurred by the Buyer. No subsequent Buyer reconditioning expenses will be reimbursed.
- : All expense receipts must be submitted at the time the vehicle is returned. Exceptions: transportation invoices.
- : Any fraudulent expenses reported will result in Buyer not being paid, and may result in the termination of conducting future business with AutoNation Auto Auction.
- : Any vehicle sold and returned to AutoNation Auto Auction for an undisclosed branded title will have all reconditioning expenses, incurred by the Buyer, reimbursed by the Seller (documented expenses).
- : The Seller is responsible for reimbursement of all reasonable documented expenses incurred by the Buyer (excluding profit commissions, advertising, and detail charges) on vehicles arbitrated for unannounced conditions (i.e. TMU, salvage, flood etc.)

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**Guarantees**

**MTS (Motor-Trans-Structure) Guaranteed – AutoNation Auto Auction**

- : Comes with a 7-calendar day guarantee from Sale Day and only covers structure, engine and transmission (internally lubricated parts only). No other guarantees expressed or implied.
- : All MTS units for sale that have been pre-Sale inspected by AutoNation and have passed MTS will be designated by the appropriate decal.

- Mechanical is defined as: engine/transmission (internally lubricated parts only)

**MTS (Motor-Trans-Structure) Guaranteed – Seller**

- : Units designated by appropriate decal.
- : Mechanical guarantee Sale Day only (Los Angeles); next business day following Sale Day (Houston/Orlando); structural guarantee seven (7) calendar days from Sale Day. Unit must not have left the auction facility.

**Mechanical Guarantee – AutoNation**

- : Vehicles in this category are guaranteed for motor and transmission only and come with a seven (7) calendar day guarantee from Sale Day.

**Mechanical Guarantee – Seller**

- : Vehicles in this category are guaranteed for motor and transmission only sale day only (Los Angeles); next business day following Sale Day (Houston/Orlando).

**Structural Damage - Mechanical Guarantee**

- : Vehicles in this category are guaranteed for motor and transmission only and only on Sale Day (Los Angeles); next business day following Sale Day (Houston/Orlando).
- : No arbitration on structural components.

**"As-Is" Vehicles**

- : All vehicles sold "As-is" unless otherwise announced.
- : Seller guarantees miles, title, and structural damage (up to 100K miles or sold for \$12K or more) on all vehicles, unless otherwise announced. No other warranties expressed or implied.
- : "As-is" vehicles may have issues/problems including, but not limited to, motor, transmission, airbags, and/or structural damage.
- : Logo/emblem rule applies.
- : Bio-Hazard rule applies.
- : Airbag rule applies.

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## **AUCTION RULES & ARBITRATION POLICIES**

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**AGREEMENT TO AND COMPLIANCE WITH THESE RULES AND POLICIES IS A CONDITION OF PARTICIPATION IN THE AUTONATION AUTO AUCTION. LACK OF KNOWLEDGE OF RULES/POLICIES WILL NOT RELEASE DEALERS OF THEIR OBLIGATION TO ABIDE BY THESE RULES**

### **Seller/Buyer Absence**

: AutoNation Auto Auction assumes no responsibility for announcements on vehicles if Seller is not present. If Seller is present, the Seller has an obligation/duty to ensure all applicable announcements are made. Failure to do so may result in the sale being voided.

### **If Bids/Offers**

- : AutoNation Auto Auction will notify the Buyer and Seller of all pending "If" bids/offers.
- : If AutoNation Auto Auction cannot contact the Buyer that presented the offer, and Seller accepts the offer, the vehicle will be sold.
- : "If" bids/offers will be voided if AutoNation Auto Auction cannot contact the Seller.
- : Buyer's offer is binding and cannot be withdrawn. If Seller agrees to the "If" bid/offer, vehicle will be sold.
- : Multiple Offers – Original bidder has the first right of refusal on any multiple counter offers.
- : If a "2nd Offer" (3<sup>rd</sup>, 4<sup>th</sup>, etc.) is placed on a unit with an existing offer, the next offer must be higher than the prior offer based on these tiers or the offer will not be accepted (2nd offers are not allowed on AutoNation units):
  1. \$0 to \$1,000: \$100 more than original (prior) offer
  2. \$1,001 to \$10,000: \$250 more than original (prior) offer
  3. \$10,001 and up: \$500 more than original (prior) offer
- : AutoNation vehicles that did not cross the Block will not be sold.
- : "If" bids/offers shall be valid until close of sale.
- : Any vehicle announced as sold on an "if/phone call/offer" and is recorded as a sale in error, may be subject to unwind within 14 calendar days of the original Sale Day. Failure to return the vehicle may result in Dealer losing buying and selling privileges.

### **Internet Rules, Terms, and Conditions**

ALL AutoNation Auto Auction's Rules, Terms, and Conditions, (as detailed here and in the Dealer Registration Packet), apply to online purchases in addition to the following:

- : On-Line: defined purchases made by a remote bidder via the internet.
- : The Buyer or Buyer's agent (transporter or driver) should note any obvious damage (defined as visible upon cursory inspection) on the gate release prior to removing the vehicle from AutoNation or facilitation service provider's location. AutoNation or facilitation service provider and Seller will not be responsible for any obvious damage not identified on the gate release or the condition report once the vehicle is removed from AutoNation or facilitation service provider's location.
- : When determining the number of days elapsed as set forth herein, "Sale day" is day 1.
- : Buyer will inspect the vehicle immediately upon arrival at Buyer's location. The Buyer must verify the Seller's representations and notify AutoNation or facilitation service provider immediately of any discrepancies within the time frame as stated in this arbitration policy. Buyer will verify odometer reading upon arrival at Buyer's location. Mileage must be the same as when purchased if arbitrating for inoperable odometer.

**AutoNation**  
**AUTO AUCTION**

- : The Buyer is responsible for understanding the Online Bidding/Proxy Bidding and Buy Now procedures for online channels. All online/proxy bids are final, however, may be subject for review auction's discretion.
- : It is strongly encouraged that an On-Line Buyer have a Post Sale Inspection (PSI) on vehicles purchased.
- : If applicable, arbitration is two (2) calendar days upon verified arrival to Buyer not to exceed ten (10) calendar days from purchase.
- : Seller will be responsible for the accuracy and completeness of all representations or descriptions. This includes handouts, catalogues, vehicle markings, and verbal or written statements made by Seller or Auctioneer at the time of sale, independent of guaranteed offered. This includes all vehicles offered for sale on the internet including all images and text representations made by Seller, designee or Seller's agent including 3rd party condition reports or vehicle listing agents at the time of sale. This includes, but is not limited to year, make, model, odometer reading, equipment, and announced conditions. Repair costs will be determined by the auction and will reflect the auction cost to repair.
- : Vehicles sold through online channels without a written condition report, inspection, or a disclosure as to the vehicle's condition will be subject to "As-Is" policies or if announced policies regarding guaranteed vehicles.
- : Payment - Acceptable methods of payment for online buying are: cashier's checks, certified funds, or Authorized Dealer flooring. All vehicles purchased online must be paid for by end of business five (5) calendar days from Sale Day.
- : Condition Reports - Provided as a convenience and in many cases are products of one individual's opinion. The auction will not be responsible for minor errors contained in the Condition Reports. Decisions of the auction will be final in all disputes.
- : Online arbitration is the same as in-lane.

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**AUCTION RULES & ARBITRATION POLICIES**

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**Gray Market and Canadian Vehicles**

- : Eligible Vehicles - only vehicles made in North America for Canadian use and properly converted to U.S. specifications can be sold and must be announced as such.
- : Seller Responsibilities: Seller must inform AutoNation Auto Auction that a vehicle has a Canadian history at time of registration and must disclose that to the Buyer in writing as an announced condition on the block ticket.
- : Proper Conversion
  1. 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.
  2. 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
    - Valid U.S. title
  3. 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 odometer without a door frame 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.
- : Any other "Gray Market" vehicles will not be offered for sale unless accompanied by all legal documentation.