

Hwy 515 Auto Auction, Inc. Arbitration Policy

Revised April 2021

I. General Policies

1. Fair and Ethical Sale

- a. The sales made at an auction are intended to promote fair and ethical treatment to both the buyer and seller. If auction determines that the transaction is not fair and ethical to either party, the seller and the buyer agree that 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 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, Nation Auto Theft Bureau, local police authorities, or any other governmental agency, or quasi-government agency.

3. Auction VIN Policies

- a. All Vehicles consigned must have a visible public Vehicle Identification Number (VIN) plate attached to the vehicle by the manufacture 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.

II. 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 written statements made by seller, auction, auctioneer, or selling representative at the time of the sale.
2. Mileage announcements are not required for vehicles that are 10 years or older and/or 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 vehicles: any disclosures made by the seller and all known odometer discrepancies are grounds for arbitration.
3. Title discrepancies must be announced including, but not limited to: not actual miles, salvage, theft, recovery, stolen vehicle, flood damage, Lemon Law buy-backs and trade assist.
4. 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.
5. 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.

III. Buyer Responsibilities:

1. You must be a licensed dealer to bid.
2. 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, yellow, red, 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.
3. The buyer is financially responsible for any pending sale and assumes all risk of loss until arbitration is final.

IV. Vehicle Return

1. 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. Any title attached vehicle after 30 days can be returned. If being over 30 days, auction must be informed before returning vehicle. Auction will not refund any money spent on the vehicle. Only the price you paid for the vehicle will be refunded. We strongly urge you not to spend or sell vehicle until you have received title.
2. The seller/ Auction shall not be liable for any vehicle sale or repairs made by the buyer before the title is received by the buyer. If the title has been mailed from the auction to buyer, buyer may not return vehicle. If the seller presents a valid negotiable title to the auction within close of business on the next day (excluding weekends and auction observed holidays) from the time that the buyer notifies the auction of their intent to return the vehicle, then the transaction will stand.

V. 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.
2. Seller will not be paid for vehicles until a transferable title is received.
3. Auction accepts no responsibility for non-titled vehicles sold without title. Seller must announce the vehicle being sold with a bill of sale only and that there is no title to transfer.
4. 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.
5. Vehicles lacking a properly assigned title or reassignment to transfer a title at time of sale must sell "Title attached/Title unavailable/Title absent" with the blue light on.

6. Vehicles lacking lien release or a valid repo affidavit for a repossessed vehicle (where allowed by law) must be sold "Title attached/ Title unavailable/ title absent" with the blue light on.
7. 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 sale and purchase of the consigned vehicle including but not limited to title services provided.
8. 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 in minimize possible loss.

VI. Structural Damage, Alteration or Certified, Structural Repair or Replacement Policy

1. Definitions

- a. Vehicle structure- the main load-bearing platform of a vehicle that gives strength, stability and design exclusivity and to which all other components of a vehicle are fastened. For purposes of this policy, there are three macro types:
 - i. Unibody- A type of structure whereby the floor plan assembly, roof bows/braces, pillars, etc. are bonded together into one unit, thereby eliminating the need for separate conventional frame structure. Unibody structures are typically shorter, sturdy and have thinner wall thickness.
 - ii. Unibody on Frame-A type of structure whereby a unitized structure is bolted to a conventional frame structure.
 - iii. Conventional Frame structure- A type of structure consisting of two symmetrical rails (beams) connected by various cross-members.

2. Recommended Disclosures

- a. Structural Damage-Damage to the structure or a specific structural component of the vehicle. Often referred to as frame damage, although it also applies to Unibody and Unibody on Frame structures in addition to Conventional Frame.

- b. Certified Structural Repairs/Replacement-Repairs to a specifically identified structural component of a vehicle that has been certified to be within the Used Vehicle Measurement Standard (UVMS.)
- c. Structural Alteration-An alteration to the vehicle's structure including a lengthened or shortened frame, a modified suspension, or the installation or removal of after-market accessories

HWY 515 AUTO AUCTION, Inc. Arbitration Policies

1. All vehicles sold for \$3000 or less is sold AS-IS. No Exceptions.
2. All Vehicles consigned must have a public VIN plate attached to the vehicle. Hwy 515 Auto Auction, Inc. reserves the right to refuse the sale of any vehicle in which the VIN plate appears altered in any way.
3. All frame damage, Unibody damage, frame repair, pervious salvage history, diesel/propane change-over, flood, and water damage must be announced on the auction block.
4. Buyer has 72 hours from time of purchase to report frame/flood damage to Auction.
5. The Auction reserves the right to review any audio/video documentation for verifying the accuracy of the sale.
6. All guaranties as stated by the Seller are those of the Seller only. The Auction does not make any guaranties, expressed or implied.
7. The Auction does not guarantee any warranty books, plates, or the year of kit vehicles, trailers, motorcycles, watercraft, recreational vehicles, homemade, or modified vehicles. All of the vehicles are sold AS-IS and have no odometer or frame guarantee. Hwy 515 Auto Auction, Inc. does not guarantee titles on watercraft.

8. Any vehicle that is sold "outside sale", which means not sold on the block, is an AS-IS sale. Hwy 515 Auto Auction, Inc. is not responsible for mileage discrepancies or any other problem that might arise with the vehicle. It is considered an AS-IS sale.
9. The Auction reserves the right to reject any vehicle that is judged to be unsafe.
10. Vehicles with broken odometers must be arbitrated with one hour of purchase.
Note: Once the vehicle leaves the premises, there will be no arbitration for odometers.
11. No repair costing less than \$500 will be arbitrated.
12. Vehicles with 300,000 miles or over will be sold AS-IS.
- 13. Only major repairs** will be arbitrated on engine, transmission, and 4-wheel drive.
14. Vehicles cannot be arbitrated for the following items:
 - A.) Oil Leaks
 - B.) Oil Smoke
 - C.) Clutches with manual transmissions
 - D.) Information light- Example: Airbag light, check engine light, gauges, etc.
 - E.) Glass, paint, upholstery, switches, air conditioning, power accessories, computer control units, radios, cruise control, front-ends, brakes, sunroofs and convertible tops.
 - F.) Chrysler and Ford products with power train noise, 5.4 engines, Nissan transmissions, and all diesel engines.
15. All mechanical arbitrators will inspect only the defect(s) that are reported. Each vehicle becomes AS-IS, and is not subject to further arbitration. The decision of the arbitrator is final, and is binding to both Buyer and Seller.

Lights:

Green Light: The vehicle must have a bid for over \$3000 and the green light MUST be on. Buyer has within one (1) hour from time of purchase to test drive. Time of purchase is posted on the bill of sale. There will be NO arbitration after one (1) hour of purchase.

Yellow Light: There is a special announcement under the yellow light. For example, The Unibody/ odometer/, engine, water, etc.

Red Light: NO EXCEPTIONS, regardless of price. Vehicles are sold as is.

Blue Light: Title Attached. The title is not present at the time of sale. The Seller has 30 days to produce the title.