



DEALER
RULES & REGULATIONS
TERMS & CONDITIONS
ARBITRATION RULES

RICHMOND AUTO AUCTION
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VAAL # 102

Effective: 09-02-2016

All Bidders and Sellers must become familiar with and understand these auction policies, rules and regulations. Failure to do so and ignorance of them will not release Buyers or Sellers from their obligations under these policies.

NOTICE:

- **Safety is our # 1 concern. Be Alert! Watch for moving vehicles! Enter the auction premises at your own risk!**
- **For their safety and insurance restrictions no children under 16 years of age are permitted on auction premises on day of auction.**
- **Civil behavior and proper attire are required at all times on auction premises.**
- **Failure to abide by these auction policies and the directions and decisions of auction management may result in ejection from the auction and revocation of all auction privileges.**

Auction Every Friday at 8:30 AM
Doors open at 8:00 AM

In-Lane and Online

GENERAL INFORMATION

Fair and Ethical Sale

The sales made at Richmond Auto Auction (RAA) are intended to promote fair and ethical treatment to both the Buyer and Seller. If RAA determines that the transaction is not fair and ethical to either party, the Seller and the Buyer agree that RAA 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 RAA. Any arbitration conducted at RAA is subject to the Terms and Conditions of the auction.

Auction Policy

All Bidders & Sellers should become familiar with Richmond Auto Auction (RAA) Rules, Regulations, Terms and Conditions, General Auction Policy and Arbitration Policy. The Auction reserves the right to change its policy as is required. Ignorance of Auction Policy will not release Buyers or Sellers from their obligations under these policies.

Auction Role in Sale

- RAA 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.
- RAA 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. RAA is not responsible for the accuracy of odometer readings, odometer statements, announcements, or disclosures.
- All vehicles bought or sold on the premises must be processed through the RAA office. Failure to do so will result in suspension of trading privileges at RAA.
- RAA is not responsible for buying vehicles consigned for auction.

Lot Sales/ Outside Sales

- Any sale in which the Auctioneer does not state the selling price of the vehicle or “sell under the hammer” is considered a “Lot Sale”.
- All “Lot Sales” are conditional until the buyer signs the block ticket or appropriate document for the vehicle signifying they have inspected and accepted the vehicle. Until the appropriate document is signed, the sale is not binding to either party.
- Sellers may guarantee “Lot Sales”, but must do so in writing. Vehicles sold after crossing the block are still subject to the conditions noted on the RAA sales receipt. These transactions are subject to the terms noted in the Disclosure/ Discovery section of the policies.
- Buyers are cautioned to inspect “Lot Sale” vehicles very carefully and verify the condition of the vehicles before purchasing.
- Lot Sales will become “AS IS” sales. They may NOT be arbitrated, the seller and buyer will not receive any protection under RAA’s Auction Policies, Rules and Regulations. WARNING – Anyone conducting vehicle sales on auction premises without sending paperwork through office will be subject to a \$250 fine and buying and selling privileges will be revoked.

RAA VIN Policies

- 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 announced or will be subject to sale cancellation or Buyer return. RAA 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.

RAA Right of Review

RAA reserves the right to review any audio/video documentation to verify the accuracy of a sale.

RAA Exclusions

- RAA 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. RAA may investigate vehicle history based on information found in EDVH for information that may impact arbitration.
- Vehicles are not subject to arbitration if they exceed 12 model years.
- ALL Watercraft, Motorcycles, Scooters, ATV's, Motor Homes, Campers, Trailers, Collector and Exotic Vehicles, Modified Vehicles, Kit Built, Recreational, Non-Titled Vehicles and vehicles 20 years and older are sold "As-Is" and cannot be arbitrated for ANY reason including odometer, frame, warranty books, or model year.

BIDDERS

1. Bidder Registration – All Bidders must register and obtain a bidder number before bidding.

- Licensed Dealers must present Dealer's License at time of Registration. Full Dealer privileges are available upon approval by RAA.
- RAA reserves the right to accept or reject any and all bids or Bidders. RAA also reserves the right to bid on behalf of sellers.

2. Bidder Inspection – Bidders are responsible for inspecting vehicles thoroughly before bidding. Ignorance of vehicle mileage, condition, functions, features, damages, and need of repairs does not absolve Bidder/Buyer from contractual obligation to consummate their purchase as per these auction policies.

3. Bidding Creates a Binding Contract – All Bidders placing bids at an RAA auction agree to terms, conditions, provisions contained in these auction policies and as may otherwise be posted or announced at the auction. RAA's final acceptance of a Bidder's high bid will form a valid, enforceable contract between the Bidder and Seller.

4. Call Bids – Vehicles may be sold with a "CALL" meaning the Seller will be notified of the high bid for acceptance or rejection. "Call Bids," also known as "If Bids," are binding on Buyer until 2 p.m. auction day unless rejected by Seller. Buyer is responsible to contact auction for status of bid. Failure to do so will not release Buyer of potential purchase obligation. Vehicle test drive and arbitration rules apply while awaiting seller's response. Payment terms are as noted elsewhere herein.

BUYERS

Buyers are responsible for inspecting vehicles thoroughly before bidding. Ignorance of vehicle mileage, condition, functions, features, damages, and need of repairs does not absolve Bidder/Buyer from contractual obligation to consummate their purchase as per these auction policies.

Settlement

- All settlement funds must be paid in full by cash, money order, cashier's check, approved company check or floor plan by 4 p.m. day of auction for registered dealers before any titles are issued and vehicles released. Visa, Discover, MasterCard and American Express are also accepted. Failure to **pay in full by 4 p.m. auction day will incur a \$50 late fee per vehicle per day until fully paid, unless prior arrangements have been made.**

Odometers – Vehicle odometers MUST be checked for proper operation. RAA will NOT be responsible to Buyer for vehicle repairs or alterations if vehicle is returned due to inoperative odometer. Check your purchases carefully before leaving auction premises.

No Substitutions – Buyer is responsible for all vehicles purchased and no vehicle may be substituted for other vehicles.

Vehicle Ownership – Ownership is transferred to the Buyer at the fall of the hammer when the auctioneer recognizes the Buyer's high bid. RAA assumes no responsibility for vehicles prior to or after the fall of the hammer.

Removal – Vehicles must be removed no later than 4:30 p.m. the next business day after the auction. (Registered dealers have until Tuesday 4:30 p.m.). Any vehicle not removed by the deadline will incur a daily storage fee of \$10.00. Do not remove vehicles and park/store them in RAA's customer parking areas – they will be towed at the owner's expense. After 30 days, remaining vehicles may be deemed abandoned and sold to satisfy all fees owed by buyers to RAA. Such sale will be held at RAA's discretion and without notice to the buyer or seller. In addition to all storage fees, owners will be liable for all auction and related fees, including all legal fees.

Additional Responsibilities for Online Buyers

- Buyer will inspect the vehicle immediately upon arrival at Buyer's location. The Buyer must verify the Seller's representations and notify the RAA or facilitation service provider immediately of any discrepancies within the time frame as stated in 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.
- The Buyer is responsible for understanding the Online Bidding/Proxy Bidding procedures for online buying channels.
- It is required that an Online Buyer have a Post Sale Inspection (PSI) on vehicles purchased.

Buyer Default – In addition to all available remedies, failure to pay all amounts due to RAA, including late fees and storage, shall result in loss of Buyer's deposit as well as attendance and bidding privileges. Additionally, Buyers will remain liable for the full purchase price plus all applicable fees that result from Buyer's failure to pay on time. No titles will be issued or vehicles released until all vehicles purchased are paid for in full.

TEST DRIVES

Test driving is NOT permitted on RAA premises!

Dealers may test drive vehicles off RAA premises with their dealer tag and an auction chaperone up to one half (½) hour prior to the start of the auction or when purchasing Green Light vehicles after signing their Bill of Sale (Block Ticket).

Vehicles sold Green Light, including vehicles sold on a call, may be test driven up to 3:00 p.m. auction day before payment in full is made.

SELLERS

Representing Vehicles Honestly and Fairly – RAA makes every effort to disclose known defects in accordance with NAAA Arbitration Policy and as outlined here in these RAA policies. Sellers are expected to represent their vehicles honestly and correctly, whether sold green light or red light and announce all known defects as outlined in this document. Misrepresented vehicles may be returned to the seller, whether sold or not, and seller will remain responsible for all auction fees and transportation costs.

Seller Responsibilities - All guarantees as stated by the Seller are those of the Seller only. 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.

- Announcements are required for any matters that relate to the safety or integrity of the vehicle including but not limited to all requirements under local, state or federal statutes or regulations. Announcements must be made both orally and disclosed on the auction invoice, sale contract, bill of sale, advertisements or equivalent document in a physical or simulcast auction environment and disclosed in writing under the heading of announcements in an online selling forum.
- Disclosures include all announcements and other information regarding the vehicle including condition reports, pictures, online listings, catalogues, vehicle markings, handouts, inspections or other verbal or written statements.

Vehicle Registration – RAA reserves the right to reject any motor vehicle offered for sale and/or refuse to warrant the title to any vehicle sold. RAA's decision shall be at its discretion.

Out of State Dealers – Must have a Virginia Foreign Dealer's License or Virginia Wholesale Dealer's License and sell Dealer Only. This a requirement of the Virginia Motor Vehicle Dealer Board.

AutoCheck Vehicle History Service – All late model vehicles (last 10 model years) registered for auction are checked through AutoCheck Vehicle History Service.

Attention Sellers

- Sellers, or their representative, **MUST** be on the auction block to represent their vehicles at the time of sale or notify the auction in writing before 9 A.M. auction day of their reserve prices, vehicle announcements and auction lights. Failure to adhere to this policy will result in vehicles being run under the Red Light, AS IS, and incur a \$15 fee per vehicle for RAA representation. Those without floor or reserve prices will be passed and charged a run fee.
- RAA will sell a vehicle when the high bid is within \$200 of the reserve or floor price set by the Seller. Any Seller refusing to sell a vehicle under these terms or when the high bid is greater than the Seller's reserve or floor price will be obligated to pay RAA both the Seller's commission and fees plus the Buyer's fees as if the sale had been consummated at the high bid.
- No vehicle will be offered for sale without a public vehicle identification (VIN) plate and a second point of ID. Vehicles with a marred or altered identification plate will be not be offered for sale.
- RAA does not guarantee a sale. Should RAA, for any reason, fail to complete the sale, then the transaction will be considered a "No Sale."
- Sellers lose all rights to sold vehicles.
- Sellers ARE responsible for auction sale fees for habitual vehicles cancelled in arbitration at RAA discretion.
- Sellers ARE required to REIMBURSE RAA in full for any returned/repurchased vehicles, including transportation.
- Sale proceeds will be available to the Seller after 3 p.m. auction day if RAA has received a defect free marketable title prior to 10:00 a.m. auction day, arbitration has been completed and payment was made in cash or by check from an RAA check approved dealer. Otherwise, if RAA has a defect free marketable title, payment is available when Buyer's payment in full has been deposited and cleared into RAA's bank account but not sooner than 12:00 noon of the second business day following the auction.

Storage – RAA is not responsible for any vehicles left on the premises. Vehicles not selling on day of auction, which are left on RAA premises after Monday 4:00 p.m., will be automatically re-registered for the next auction, unless notified by seller. There is a maximum of 3 auction runs for all vehicles. Vehicles not re-registered for auction must be removed no later than 4:00 p.m. the next business day after the auction. Any vehicle not removed by this deadline will incur a daily storage fee of \$5.00. After 30 days, remaining vehicles may be sold to satisfy all fees owed by seller to RAA. Such sale will be held at RAA's discretion and without notice to owner. In addition to all storage fees, owner will be liable for all auction and related fees, including all legal fees.

TITLES

- Seller must deliver titles to the RAA title clerk before 10 a.m. on auction day. Vehicles auctioned without titles incur a \$45 Title Coming fee (Blue Light). Any vehicle sale for which RAA does not have a marketable title that is NOT sold under the Blue Light is subject to cancellation and seller is responsible for all auction fees as if vehicle was sold. Seller has 30 days to provide a marketable title. **The buyer must give RAA notice prior to returning the vehicle after the 30 days wait period. 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.**
- RAA will NOT accept titles with the following defects: alterations, erasures, wrong digits, improper or excessive reassignments, voids, unannounced mileage discrepancies, missing forms, jumping ownership, etc., or any paperwork issued outside of the U.S.
- Sold vehicles will be reassigned in the Registered Bidder's name only.
- RAA does not accept out of state salvage titles or titles in insurance company's name regardless of the state it is titled in.

Vehicle Information – RAA vehicle listings and other published vehicle information is available prior to each sale. RAA does NOT assume responsibility for accuracy of such listing including year, mileage and options. Accuracy of information written or posted on the vehicle is also **NOT** guaranteed.

Tampering – Any person found tampering with or removing contents or equipment from vehicles will be suspended from the Auction and prosecuted to the fullest extent of the law. Registered bidders are responsible for the action of their guest.

Disclaimer – RAA expressly disclaims all warranties, either expressed or implied, including any implied warranties of merchantability or fitness for a particular purpose, nor assumes or authorizes any other person to assume for it any liability with the sale of any vehicle. Buyers will not be entitled to recover from Seller or RAA any incidental or consequential damages for loss of any kind including but not limited to loss of use, time, income or profit.

Risk of Loss - The Seller/Buyer, as the case may be, bears all risk of loss or damage from fire, theft, or from any cause whatsoever for consigned or purchased vehicles. Under no circumstances will RAA have any liability for any such loss or damage. Ownership of the vehicle, its contents and accessories are never transferred to RAA. The titled owner of the stolen or damaged property must make claim to his/her insurance company. Any vehicle and/or personal property left on the premises are done so at the owner's risk. No modification of this Risk of Loss policy will be made by custom, practice or agreement, except by written agreement signed by the General Manager.

Right of Offset - RAA will have a valid lien on any Buyer's or Seller's property in its possession to satisfy any and all debts and/or claims that RAA may have against such Buyers or Sellers. Such liens will include the process of the sale of such property. RAA will further have the right to offset any amount that is owed to it by any Seller from any proceeds due such Sellers. This includes any and all unpaid auction fees.

Sherman AntiTrust Act - It is strictly prohibited to conspire with another party to collude bids or offer any other party not to bid against you or any other party or parties. Violators will be reported to the Federal Authorities. Penalties for violating antitrust laws include criminal and civil penalties. The Sherman Act impose criminal penalties of up to \$100 million for a corporation and \$1 million for an individual, along with up to 10 years in prison.

SALE-LIGHT / VIDEO DISPLAY SYSTEMS

RAA System

RAA has a standardized light/video display system to describe the condition and/or disclosures related to the vehicle being sold. The system is defined as:

- **Green Light** – “Ride and Drive”:
The green light signals that this vehicle is guaranteed under the conditions outlined in the Disclosure/Discovery section, except for specific disclosures or announcements made prior to the sale.
- **Yellow Light** – “Announcements”:
This light is an indication to the Buyer that the Auctioneer or Selling Representative has made announcements that qualify/clarify the condition or equipment and limit arbitration of this vehicle.
- **Red Light** – “As-Is”:
Vehicles selling under the red light will only qualify for arbitration under the rules outlined in the Disclosure/Discovery section.
- **Blue Light** – “Title Attached/Title Unavailable/Title Absent”:
This light is used to announce that the title is not present at the time of the sale. For RAA rules regarding titles please refer to the Title Arbitration Policy section. If “title attached/unavailable/absent” is not announced, a vehicle can be arbitrated for misrepresentation.

ARBITRATION

Arbitration complaints MUST be filed by 2:00 P.M. and prior to payment or vehicle removal from RAA lot on auction day. Buyer assumes all responsibilities for mechanical failure or defects after exiting the premises with a purchased vehicle. See Arbitration Policy for Details.

Inoperable Vehicles - Buyers are cautioned to inspect inoperable vehicles carefully. Vehicles are not to be driven in their present condition and are sold **STRICTLY “AS IS”, and are NOT subject to arbitration for any reason** regardless of any announcements made or not made or the absence of equipment or parts. This also includes vehicles that are towed or pushed through the lane.

Government Vehicles - All government vehicles are sold **STRICTLY “AS IS” and are NOT subject to arbitration for any reason.**

DISCLOSURE / DISCOVERY REQUIREMENTS

Vehicles that have any of the following defects, conditions, or discrepancies that were not disclosed or announced at the time of sale must be reported to RAA within the time frame noted below in order to be eligible for arbitration. The only exception is if there is a pending Post Sale Inspection (PSI). Vehicles must be returned to RAA in the same or better condition than when purchased.

1. By Sales Channel

Some arbitration policies are sales channel specific. The two sales channels are defined as follows:

- In-Lane:** All purchases made by a bidder on RAA location property. Vehicles purchased in an online event sale by bidders at a location will be considered “in-lane”.
- Online:** Defined as purchases made by a remote bidder via the Internet. Due to the differences associated with purchasing through online channels, such as the inability of the buyer to view the vehicle, additional time parameters and damage disclosure requirements for arbitration have been included.

2. Time Period

Definition codes for discovery time periods as set forth below in the RAA Arbitration Policy Guideline (Appendix I):

- All Online arbitrations must be initiated within 2 calendar days of Buyer’s verified receipt of the vehicle and cannot exceed 10 calendar days from purchase. Purchase of a Post Sale Inspection (PSI) may increase arbitration timeframes of items covered in the PSI. It is the auction or facilitation service provider’s responsibility to inform Seller of any pending PSI or arbitration resulting from the Sale.

b. Sale day is Day 1.

c. Arbitration shall end at the closing time on the last calendar day in the time period. Below are the definitions of the time codes referred to in the Arbitration Policy Guideline Chart at the end of this document.

- i. (A) In-lane – Sale day only by 2 P.M.
- ii. (B) In-lane – 7 calendar days
- iii. (C) Online – 2 calendar days upon verified receipt not to exceed 10 calendar days from purchase.

3. Process

The arbitrator will inspect only the defect(s) that 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.**

4. Fees

RAA 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, RAA 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.

5. Not subject to arbitration:

- a. Red Light (As Is) vehicles
- b. Vehicles sold for \$2,000 or less unless Seller sells Green Light (Seller Guaranteed).
- c. Inoperative vehicles
- d. AC Units on vehicles in excess of 125,000 miles or older than 5 calendar years.
- e. Upper Engine Noise on vehicles in excess of 125,000 miles or older than 5 calendar years.
- f. Vehicles exceeding 12 model years, with the exception of trailers, RVs, and watercraft, which cannot be arbitrated if they exceed 10 models years.
- g. Kit vehicles, homemade vehicles, or modified vehicles are sold “As-Is” and cannot be arbitrated for odometer, frame, warranty books, or model year.
- h. Noise and Inherent Conditions: No arbitration can be based on noises or conditions that are inherent or typical to a particular model or manufacturer, unless deemed “excessive” by the arbitrator on non-warranty items. OEM dealer warranty guidelines will be used where applicable to determine whether the condition is excessive.
- i. Manual Transmissions: Vehicles with standard transmissions cannot be arbitrated for manual clutches unless the defect will not allow a safe test drive.
- j. Wearable Items: Auction 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 expected life of the vehicle. These items are normally identified in the Owner’s Manual for routine check and replacement and would include, but are not limited to: tires, wipers, brake pads, shoes, rotors, belts, hoses, lubricants/fluids, timing belts, bulbs, filters, shocks and struts.
- k. Unsafe vehicles: Auction reserves the right to reject any vehicle that management judges to be unsafe.
- l. Vehicles may not be arbitrated based solely upon information provided in Electronic Data Vehicle Histories (EDVH) or printed EDVH reports. Auction and Seller are not bound by information listed in EDVH. Examples of EDVH include Carfax, Autocheck, NMVTIS, etc. The facilitating Auction may investigate vehicle history based on information found

in EDVH for information that may impact arbitration.

- m. Auction is not bound by vehicle grades or other types of scoring systems placed upon the vehicle. Buyers may only arbitrate a vehicle based upon damage or defects that were present at the time of the sale of the vehicle.
- n. Check Engine, ABS, Airbag, Fluid Level, Seat belt lights are not subject to arbitration on vehicles older than 5 calendar years.
- o. All fluid leaks except fuel are not subject to arbitration unless deemed excessive.
- p. Power accessories i.e. windows, seats, locks sunroofs, retractable tops, convertible tops on vehicles older than 5 calendar years.
- q. Government consignment, Collector & Exotic vehicles, modified, Kit built, Grey Market vehicles, Specialty Units, Discontinued vehicle makes, BMW, Ford 6 Liter Diesel, Land Rover, Mercedes Sprinter Van, VW Taureg, Chrysler 2.7 Liter Engine.
- r. Audio Visual Electronic Equipment is not subject to arbitration. Missing Navigation disc are not covered by arbitration.

6. 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.

7. Towing Packages

Packages installed using OEM holes do not need any disclosure or announcement. Packages installed where other holes are drilled or frame is welded need announcement.

8. Access Holes (PDR)

Access holes 1/4" or less do not require disclosure; Multiple holes or access holes greater than 5/8" require disclosure; Access holes between 1/4" and 5/8" are subject to disclosure based on location and condition.

9. Arbitration by Selling Channels

- a. **All Selling Channels:** Seller will be held 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 vehicle "light" designation or guarantee offered. This includes all vehicles offered for sale either in-lane or on the Internet, including all images and text representations made by Seller, designee or Seller's agent including third-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 disclosed or announced conditions. Repair costs will be determined by the RAA and will reflect the RAA cost to repair.
- b. **In-Lane:** Any single mechanical or electrical defect that has a repair cost of \$500 or more is subject to arbitration on Green Light vehicles. Single defects less than \$500 are deemed minor and not subject to arbitration. RAA will not arbitrate visible defects or announced conditions.
- c. **Online:** Sellers who sell to online Buyers through any of the online channels and provide a condition report have the additional responsibility to disclose defects or damage that are "visible" in nature. The Seller must disclose damage, mechanical defects, and electrical defects, (but not actual repair cost) with a cumulative auction (wholesale) repair cost in excess of \$500. Undisclosed cumulative damage, including mechanical and electrical defects, in excess of \$500 is subject to arbitration by the Buyer due to an inadequate disclosure of damage or condition. Actual images of the listed vehicle must be used, unless proper disclosure is noted by the Seller, who makes it clear the actual vehicle is not shown.
- d. **Online Without Vehicle Condition Information:** Vehicles sold through online channels without a written condition report, inspection, or a disclosure as to the vehicle's condition, will be subject to In-Lane policies as detailed above.

10. Seller Fees

The Seller is responsible for reimbursement of all reasonable documented expenses incurred by the Buyer (excluding profit, commissions, and detail charges) on vehicles arbitrated for undisclosed conditions not detectable through vehicle inspection (i.e. stolen vehicle, theft recovery, odometer discrepancy, title discrepancy, frame damage, flood damage, salvage, manufacturer buyback, etc.). Expense reimbursements will be at the sole discretion of RAA and will, at times, be limited to reasonable and documented expenses and transportation only.

11. Buyer Responsibilities and Liabilities

- a. **Prior to placing bids**, the Buyer is responsible for listening to oral announcements related to each vehicle, made by the Auctioneer or Selling Representative as well as other oral or written statements. Online 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, Blue), which identify various sale conditions for the vehicle. Once the vehicle is sold the Buyer should check the RAA sales receipt to confirm the vehicle price, disclosures and announcements are correct before legibly printing and signing their name or digitally/electronically signing the RAA sales receipt.
- b. Buyers should thoroughly check and, if possible, test drive every vehicle. If there is any problem, a complaint must be properly filed with the Arbitration Office within the established arbitration time limit. The Buyer assumes responsibility for mechanical or electrical failure once the arbitration period is over.
- c. Buyer agrees to be liable for any and all work done to a vehicle prior to returning the vehicle to RAA except on vehicles arbitrated for undisclosed conditions not detectable through vehicle inspection (i.e. stolen vehicle, odometer, theft recovery, title brands, title discrepancy – does not include title attached/unavailable/absent). Mileage must be the same as it was when it left RAA if arbitrated for inoperable odometer. Vehicle must be returned in a timely manner consistent with auction direction.
- d. The Buyer is financially responsible for any pending sale until arbitration is final.
- e. The Buyer or Buyer's agent (transporter or driver) should note any obvious damage on the gate release prior to removing the vehicle from the auction or facilitation service provider's location. RAA 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 the auction or facilitation service provider's location.

12. Manufacturer's Warranty

The availability of a manufacturer's warranty shall not affect a Buyer's right to arbitrate a vehicle.

13. 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 RAA. Time is of the essence. Any failure on the part of the Buyer, after becoming aware of said claim, to notify RAA of any claim in a timely manner or failure of the Buyer to cooperate in defending any such claim shall relieve RAA of any liability under this policy.

14. Payment in Arbitration

Seller will not be paid for vehicles in arbitration until arbitration is settled, and vehicles are sold. Arbitrations occurring after the seller has been paid, seller is required to promptly return the payment to the RAA if the transaction is voided as a result of arbitration.

15. Return Process

A vehicle is not considered returned until received, inspected, and approved for return by RAA management. Any vehicle returned must be in the same or better condition as when sold. Any vehicles delivered to and left on RAA premises without RAA approval remain the sole responsibility of the Buyer. Buyer assumes all risk of loss.

16. Fees on Returned Vehicle

There may be a charge for excessive mileage on a returned vehicle at the discretion of RAA.

TITLE ARBITRATION POLICY

Seller Title Responsibilities

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 RAA. 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 RAA 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 RAA's sale date. All liability under this title guarantee shall expire and terminate 48 months after RAA sale date. RAA will not be responsible for any expenses incurred on vehicles returned for late title.

Seller's Title Guarantee

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.

Title Insurance

RAA Title Insurance is provided by Auction Insurance Agency.

Auction Right to Remediate Clerical Error

If the title problem is due to a clerical or coding error, or incomplete documentation, RAA shall be given reasonable time after receiving notice to have the error corrected.

Buyer's Title Claim Notice to Auction

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 RAA. This involves giving full particulars of claim, cooperating fully in defending any legal action, and in taking other steps to minimize possible loss.

Title Assignment

Title must be reassigned directly to Buyer. No title assigned directly to RAA will be accepted.

Payment After Title Receipt

Seller will not be paid for vehicles until a transferable title is received.

Non-titled Vehicles Rules

- a. RAA 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.
- b. All non-titled vehicles and equipment will be sold "As-Is".

Titles Not Permitted

- a. Applications or other documents related to a duplicate title will not be accepted, unless announced as such or if allowed by the appropriate jurisdiction.
- b. Foreign titles, such as Canadian titles, are unacceptable.

- c. RAA will **NOT** accept titles with the following defects: alterations, erasures, wrong digits, improper or excessive reassignments, voids, unannounced mileage discrepancies, missing forms, jumping ownership, etc., or any paperwork issued outside the U.S.
- d. RAA does not accept out of state salvage titles or titles in insurance company's name regardless of the state it is titled in.

Assignment Title Timeliness for Vehicles Sold Title Attached/Unavailable/Absent

- a. Seller has up to a maximum of 30 calendar days for title to be received by RAA. (Sale day is Day 1).
- b. After a 30 calendar day period, it is the Buyer's option to return the vehicle or wait a reasonable period of time for the title. A 24 hour notice must be given to RAA prior to returning the vehicle.
- c. Buyer Responsibilities: The Seller/RAA 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 RAA to Buyer, Buyer may not return vehicle. Buyer is required to notify RAA in a timely manner consistent with RAA policy before returning vehicles. If a valid negotiable title is presented within the RAA policy notice period, the transaction will stand.
- d. If, after 90 calendar days, Seller has not produced negotiable title and Buyer has not returned the vehicle, this title guarantee shall not apply and RAA shall have no duty to produce the certificate of title to the Buyer and shall have no duty to pay Seller.

Seller Title Disclosures (Subject to RAA Title Policy)

- a. Vehicles lacking a properly assigned title or reassignment to transfer a title at time of sale must sell "Title Attached/Title Unavailable/Title Absent", unless announcement is not required within the region.
- b. 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", unless announcement is not required within the region.
- c. 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, disclosure requirements (if required by state, i.e. 25%) 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 RAA 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

RAA will not be responsible for titles mailed from RAA and not received by the Buyer. Buyer has the choice of alternative delivery method and will pay RAA for such service.

Seller Additional Fees

- a. Seller will be responsible for the buy fee plus reasonable transportation expenses to and from the Buyer's dealership to RAA on vehicles returned for "no title".
- b. Titles received after the maximum time defined in RAA Title Policy (30 Days) may be subject to a late title fee. All expenses to obtain title will be charged to the Seller.

Seller Mileage Announcements

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 vehicles; any disclosure made by the Seller and all known odometer discrepancies are grounds for arbitration.

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. No other Gray Market vehicles are accepted for sale.

Seller Responsibilities

Seller must inform RAA that a vehicle has Canadian history at time of registration and must disclose that to the Buyer in writing as an announced condition on the block ticket unless the car is five (5) years or older.

Proper Conversion

- a. 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.
- b. 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:
 1. Us Safety Standard Certification Label that identifies the Registered Importer
 2. Valid U.S. Title
- c. 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 odometers 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.

“Gray Market Vehicles”

Such vehicles will not be accepted for sale unless they meet ALL Federal D.O.T. / E.P.A. Mandated Guidelines. Documentation must be provided. Sellers will not offer for sale any European manufactured vehicles.

Appendix I, NAAA Arbitration Policy Guidelines

NAAA Seller Disclosure/Announcement Requirements	Disclosure/Announcement Required?		Arbitration Time Period	
	Green Light	Red Light	Green Light	Red Light
	R/D	AS-IS	R/D	AS-IS
Major Components				
Engine problem*	Yes	No	A or C	N/A
Cracked or Repaired Block*	Yes	No	A or C	N/A
Transmission problem*	Yes	No	A or C	N/A
4 X 4 System inoperable*	Yes	No	A or C	N/A
ABS problem*	Yes	No	A or C	N/A
Emission control equipment missing or inoperable*	Yes	No	A or C	N/A
Air Conditioning problem*	Yes	No	A or C	N/A
SRS-Missing or problem with airbags*	Yes	Yes	B or C	B or C
Vehicle History Issues				
Structural Damage per NAAA Structural Damage Policy	Yes	Yes	B or C	B or C
Not Actual Miles/Inoperative Odometer**	Yes	Yes	B or C	B or C
Salvage or Reconstructed/Theft Recovery/Stolen vehicles (including history)**	Yes	Yes	B or C	B or C
Insurance and/or Salvage titles (including history)**	Yes	Yes	B or C	B or C
Flood Damage (By Auction inspection)	Yes	Yes	B or C	B or C
Lemon Law/Manufacturer's Buyback**	Yes	Yes	B or C	B or C
State-Issued VIN plates (including kit vehicles)	Yes	Yes	B or C	B or C
Taxis, Livery vehicles, Police Cars, Government vehicles	Yes	Yes	B or C	B or C
Previous Canadian vehicles	Yes	Yes	B or C	B or C
Grey Market Vehicles**	Yes	Yes	B or C	B or C
Vehicles being sold with no title (Bill of Sale only)	Yes	Yes	B or C	B or C
Voided Factory Warranty	Yes	No	B or C	N/A
Fuel Conversion	Yes	No	B or C	N/A
Non-Original Engine (excludes items replaced under manufacturer warranty) Calendar year and up to 4 years old	Yes	No	B or C	N/A
Logo or Decal Misrepresentation	Yes	Yes	A or C	A or C
Bio-Hazard Vehicles (both clean and contaminated) as required by law	Yes	Yes	A or C	A or C
Flood Damage History (discovered by DMV or Insurance company records)	Yes	Yes	120 Days	120 Days
Other Issues				
Vehicle Accessory Electrical Problems* (Calendar year and up to 4 years old)	Yes	No	A or C	N/A
Paintwork (3 panels or more) on current model year and newer (bumper not included)	Yes	No	A or C	N/A
Vehicles not equipped with air conditioning (excludes vehicles 10 calendar years or older)	Yes	No	A or C	N/A
Vehicles being sold with a CO, MSO, or repo affidavit title (if required by law)	Yes	Yes	7 days after receipt of title	7 days after receipt of title
Pending state or local DMV fees or taxes over \$100 due on vehicle (if required by state)	Yes	Yes	7 days after receipt of title	7 days after receipt of title
Any state required damage disclosure	Yes	Yes	7 days after receipt of title	7 days after receipt of title
Time Period vs. Sale Channel Breakdown				
A Inlane-Sale Day Only		*B* Inlane-7 Calendar Days Only		
C Online-2 calendar days within verified receipt of the vehicle from seller and/or auction not to exceed 10 calendar days from the original sale date				
*Must disclose defects that are singularly \$500 or more to repair				
** These transactions may be subject to arbitration regardless of the stated time limits. Arbitrations initiated after the stated time period will be addressed via the depreciation formula described in the Title Arbitration Policy, Paragraph 1.				

RAA Structural Damage Policy (January 1, 2011)

The purpose of the RAA Structural Damage Policy is to define and clarify terminology associated with structural damage and to specify the disclosure requirements of the seller for vehicles offered at RAA. The policy is intended to provide adequate disclosure to the buyer for informed purchase decisions and to limit arbitrations for the seller.

Definitions

- a. Vehicle Structure** - The main loadbearing platform of a vehicle that gives strength, stability and design exclusivity and to which all other components of the vehicle are fastened. For purposes of this policy, there are three types: **Unibody, Unibody on Frame and Conventional Frame.**
- b. Unibody** - A type of structure whereby the floor, roof, panels, etc. are welded together into one unit, thereby eliminating the need for a separate conventional frame. Unibody structures are typically shorter, sturdy and have thinner wall thickness.
- c. Unibody on Frame** - A type of structure whereby a Unibody structure is bolted to a conventional frame.
- d. Conventional Frame** - Typically, a type of structure consisting of two symmetrical rails (beams) connected by cross members.
- e. 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.
- f. Certified Structural Repairs** - Repairs to a specifically identified structural component of a vehicle that have been certified to be within the Used Vehicle Measurement Standard (UVMS).
- g. 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.
- h. UVMS** - Used Vehicle Measurement Standard: the commercially acceptable measurement deviation from the vehicle's original structural specification in order for any deviation not to be considered structural damage.

Seller Disclosure Requirements

Sellers must disclose structural damage, repairs or replacements as outlined in this policy prior to selling a vehicle at RAA. Specific declarations are required for the following:

- a.** Structural Damage as defined in this policy
- b.** Improper Repairs
- c.** Repairs not certified to be within the UVMS
- d.** Improper Alterations
- e.** Lengthened or Shortened Frame, unless clearly obvious by the appearance of the vehicle
- f.** Altered Suspension, unless clearly obvious by the appearance of the vehicle
- g.** After-market accessories installed or removed, unless clearly obvious by the appearance of the vehicle
- h.** Towing packages installed where holes (other than OEM holes) are drilled or if the frame is welded
- i.** Multiple holes or access holes for Paint less Dent Repair (PDR) greater than 5/8". PDR access holes between 1/4" and 5/8" are subject to disclosure based upon location and condition.

Disclosure is not required for existing insignificant damage (provided that the vehicle is within UVMS limits) or proper repairs thereof. Insignificant damage is defined as:

- a. Damage due to transport tie-down if less than 1"
- b. Damage due to improper jacking or lifting
- c. Damage due to contact with parking abutments and/or road debris
- d. Damage to a quarter panel, rocker panel, floor pan, etc. for ladder or perimeter frame vehicles

Disclosure is also not required for the following:

- a. Towing packages installed using OEM holes do not need any disclosure or announcement
- b. PDR access holes 1/4" or less do not require disclosure
- c. Roofs that have been re-skinned

Arbitration Rules for Structural Damage

- a. A vehicle may be arbitrated if it has undisclosed existing damage or repairs, which should have been disclosed under this policy, even though the vehicle is within the UVMS. If structural damage is properly disclosed, the vehicle may only be arbitrated for improper repair of the designated area, existing damage or repairs to other areas of the vehicle not disclosed, or for failure to be within the UVMS.
- b. In the event that structural alteration is disclosed on a vehicle, the vehicle may only be arbitrated for damage or repairs to structural components other than those disclosed or in the event of improper alteration.
- c. Damaged or replaced core supports are not arbitratable under this policy.
- d. Damage to the apron on a unibody structure in the area where the core support attaches may be arbitratable if significant damage or distortion has occurred. This would generally require measurement according to the UVMS.
- e. Welded exhaust hangers are not arbitratable under this policy.
- f. RAA will, at its discretion, have a vehicle measured according to the UVMS at a facility of its choice. Prior to sending the vehicle for measurement, the auction should complete a visual verification of the physical condition of the vehicle to determine that it should be measured. If the measuring facility determines that the vehicle is within the UVMS, the buyer of the vehicle will be responsible for the charges paid to the facility. Likewise, if the measuring facility determines that the vehicle is not within the UVMS, the seller will be responsible for the charges paid to the facility.
- g. For measurements according to the UVMS, the following guidelines will apply:
 - 1. The vehicle structure must measure to a total tolerance of no more than +/- 8 millimeters (mm) of published specification of length, width and height at all master control points, and
 - 2. Symmetrically (comparative measure from side to side and point to point), the length, width and height must measure to a tolerance of no more than 6mm. In each case, the fender-to-door, door-to-door and/or door-to-quarter panel gaps must indicate proper fit of the panels.
- h. Buyer must arbitrate improperly disclosed structural damage within 7 calendar days from date of purchase (purchase day counts as Day One).
- i. The buyer must contact and follow the arbitration process of the auction where the vehicle was purchased including the auction's direction for return of the vehicle and the time frame allowed for the vehicle to be returned.
- j. In the event of improperly disclosed structural damage by the seller, the buyer will be entitled to reimbursement in accordance with the RAA Arbitration Policy.

Figure 1 Structural Component	Structural Damage Disclosure Requirement		
	Unibody	Unibody Frame	Conventional Frame
1. Radiator Core Support - Including the upper and lower tie bars, center support or side baffles	None		
2. Frame Rails Extensions (Ears) - On frame vehicles that area at the end of the frame rail to which the bumper, reinforcement or isolators attach.	None		
3. Frame rails - Including front, center and rear rails.	Existing or repaired damage, or replacement		
4. Spring Rod, and Torque Box or Stabilizer Mount	N/A	Existing or repaired damage, or replacement	
5. Cross members (Except Bolt-Ons)	N/A	Existing or repaired damage, or replacement	
6. Apron / Upper Reinforcement Rails	Existing or repaired damage, or replacement		None
7. Strut Tower	Existing or repaired damage, or replacement		None
8. Cowl Panel / Firewall - excluding cowl vent panel	Existing or repaired damage, or replacement		None
9. Support Pillars - "A", "B", "C" or "D" Pillars	Existing or repaired damage, or replacement		
10. Roof	If cut off or removed and repaired or replaced		
11. Rocker Panel - Outer	Replacement		None
12. Rocker Panel - Inner	Existing or repaired damage, or replacement		None
13. Floor / Trunk Panels	Torn and/or perforated if 1" or more, dented if deflected more than 2" or replacement floor panel		None
14. Quarter or Cab Panel	Replacement		None
15. Rear Body Panel	None		

Unibody	Unibody Frame	Conventional Frame
• Strut towers will be present	• Unibody bolts to frame	• Body is not welded to frame
• Rails and floor welded together	• Rails independently bolted to suspension and drive train	• Rails independently bolted to suspension and drive train
• No independent rail system	• Has aprons	• No aprons
• Aprons will be present	• No strut towers	• No strut towers
• Core support typically welded to aprons	• Rails tend to be a thicker gauge metal (iron)	• Rails tend to be a thicker gauge metal (iron)
	• Core support is typically welded to aprons	• Core support is typically mounted by bolts only

