



General Rules & Policies

Revised May 17, 2017

PARTICIPATION POLICIES

Dealer-Only Auction: Only authorized representatives of licensed dealers whose applications have been approved are allowed to participate in the Auction. *Retail Buyers are prohibited.* At no time shall a dealer bring a retail buyer to the auction on sale day.

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

Outside Sales: The appropriate Sales and Buyer's fees are payable to the Auction on any transaction where contact is made on the Auction premises, whether or not the vehicle is sold on the Auction block.

****Consigned vehicles cancelled or withdrawn on sale day will be charged all registration and/or no-sale fees.***

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

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

Children: For their safety, children under 14 years old will not be allowed into the Auction. Please do not leave your children unattended in the lobby or dining area.

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

Test Drives: Test drives are not allowed due to safety concerns. Dealers may start vehicles but should not move them from their assigned parking space. The arbitration policy is designed to give Buyers various levels of protection against mechanical issues, depending on how the vehicle is declared by the Seller. Buyers are cautioned to read and listen to all announcements as the vehicle crosses the Auction block, and to be aware that "Red-Light" (As-Is) vehicles will not be arbitrated for any mechanical issues, whatsoever.

Vehicle Sabotage/Parts Theft/Abuse: Any person found tampering, sabotaging, over-revving, or power braking a vehicle will be subject to immediate and permanent expulsion from the Auction. Auction reserves the right to use and review audio/video documentation when investigating violations.

CONSIGNING A VEHICLE

All consignors are required to complete a “Vehicle Consignment Form” at the time a vehicle is dropped at the Auction. On this form you will be asked to give your dealership name, vehicle description, VIN#, mileage, and declarations (i.e. frame damage, repaired frame, flood damage, unknown miles, reconstruct title, etc.).

You will also be asked to provide a minimum price that you will accept for the vehicle (sometimes referred to as a floor, minimum, reserve, or protect price). You may also elect to “pure sale” the vehicle, in which case the auctioneer will sell the vehicle for the highest bid.

A few notes about successful consignors:

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

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

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

On the “Vehicle Consignment Form” you will also be given three options on how you would like to represent your vehicle. Sellers will not be paid for vehicles that are sold under the “Green or White Light”, until the mechanical arbitration time period has expired (5pm the next business day after the sale). Below you will find the three selling options and their descriptions:



Mechanical Guarantee Vehicles are sold with a mechanical guarantee subject to the Auction’s Arbitration Policy. Auction must be notified of a request for mechanical arbitration by 5pm the next business day after sale. There is also a seven day frame/structural guarantee on vehicles selling for \$2000 or more, unless otherwise declared. (Vehicles must be no more than 10 model years old and have less than 100,000 miles to be eligible to run “Green-Light”).



Limited Drivetrain Guarantee have transmissions, transfer cases, and differentials that are guaranteed subject to the Auction’s Arbitration Policy for “White-Light” vehicles. Engines are not covered. Auction must be notified of a request for mechanical arbitration by 5pm the next business day after sale. There is also a seven day frame/structural guarantee on vehicles selling for \$2000 or more, unless otherwise declared.



As-Is Mechanical Vehicles are sold with ***no mechanical guarantee***. However, there is a seven day frame guarantee on vehicles selling for \$2000 or more, unless otherwise declared. There is no mechanical or frame/structural guarantee on any vehicles sold at public sale. (See Auction arbitration policy for specific details).

PRICING AND OFFERS

Price: Unless announced otherwise, all vehicles are subject to consignor's minimum price or protection. All vehicles will be sold within \$100 of the consignor's price unless marked "FIRM" on the vehicle consignment sheet.

If or On-Call Offers will be defined as a pending sale in which a high bid was recorded at the auction block, but was subject to the Seller's acceptance at a later time. If the high bidder does not desire to have his/her bid recorded "On-Call", the bidder must immediately notify the Auctioneer of his request, **prior to the Auctioneer starting the bidding on the next vehicle**. The Auction must notify the high bidder that the Seller has accepted or rejected the bid **by noon** the next business day following the auction. *If the Seller accepts the offer recorded at the block, the sale is binding.* If the Seller counters the high bidder with a different offer, the high bidder may accept, counter back, or walk away from his original bid. Any on-call offer that is not approved by the Seller on the day of the auction, but approved the next day will extend the arbitration period by one business day.

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

SELLER'S DECLARATIONS

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

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

- **Unknown Miles or Mileage Exempt title**
- **Salvage/Junk Title** (Also includes history of previous Salvage/Junk title in another state)
- **Inoperative Odometer**
- **Missing VIN#** (Riveted plate on dash; does not include missing doorjamb stickers).
- **Fuel Conversion** (A vehicle converted from one fuel use to another)
- **Canadian Import/Previous Canadian** (Must have a U.S title and meet U.S. standards).
- **Branded Title** (Any brands appearing on the title, or which *will* appear on the title).
- **Lemon Law/Warranty Return:** (A vehicle that has been declared a warranty return).
- **Bio-Hazard History** (both cleaned and currently contaminated).
- **Total Loss History**

Additionally, the following conditions must also be declared and are subject to arbitration for vehicles *selling for \$2000 or more*, regardless of the vehicle's age, or whether the vehicle is being sold "As Is":

- **Frame/Structural Damage or Repair** (See NAAA Structural Damage Policy starting on page 10 of Arbitration Policy).
- **Flood Damage** (See NAAA Puddle or Stream Policy located on page 14 of Arbitration Policy).

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

TITLE POLICIES

Title: If the Seller offers the vehicle for sale under the "Blue-Light" (Title Absent), the Seller has 21 days from date of sale to provide Auction with negotiable title (Sale day is day #1). (*See DAA Title Arbitration Policy*)

Caution: The Auction cautions Buyers from reselling vehicles prior to receiving title from the Auction. Buyers will only be entitled to reasonable transportation expenses if sale is rescinded due to title delay. Reconditioning expenses and loss of profit will not be reimbursed to Buyer.

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

INTERNET/SIMULCAST/PROXY BIDDING

When possible, internet/simulcast bidding is provided as a convenience to our bidders. Due to inherent technology issues of simulcast, and the unpredictability of internet speed and service, the Auction cannot guarantee that a bidder's offer will be received or acknowledged by the auctioneer. It is recommended that simulcast bidders bid early to let the auctioneer know that he or she is interested in the vehicle on the block. Internet bidders who wait until the final seconds of the close of bidding may lose their bid due to internet delay. In cases of a "tie", the floor bidder will be awarded the bid. The simulcast block clerk retains the right to reverse or "override" any late internet bids, where the bid was already verbally awarded by the auctioneer to another bidder. A \$50.00 internet convenience fee will be charge per car purchased over the internet.

ARBITRATION

DAA of Alaska has arbitration policies that are similar to the National Auto Auction Association (NAAA) standards, but do differ slightly in some instances to accommodate for our unique market conditions and operating environment. These guidelines are used to resolve disputes between Buyers and Sellers which involve title/odometer, mechanical, flood damage, and body & frame issues. We suggest that all registered dealers review and familiarize themselves with the DAA of Alaska Arbitration Policy listed on our web-site.

Important reminders concerning Arbitration (See Arbitration Policy for complete details)

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

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

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

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

\$500/Minimum Threshold: To be eligible for mechanical arbitration, the vehicle must have a **single** covered component that has a repair cost of \$500.00 or more. (Determined by the Auction).

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

Buyer Verification Prior To Bidding:

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

Buyer Verification After Vehicle Sold By Auctioneer:

- **Before signing the sales invoice** – Verify vehicle description, odometer disclosure, bid price, and announcements. Any discrepancies must be resolved before signing the invoice.
- **Before leaving the Auction on sale day** – Verify vehicle year, make, model, equipment, condition, and odometer reading.
- **Before accruing any charges other than transport** – Verify that the vehicle has no flood or structural damage or repair, no covered mechanical defects (*if sold with guarantee*), the odometer is operational, and that the buyer has obtained title from the Auction.

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

Arbitration Disputes: In the case of a disputed diagnosis, the Auction reserves the right to defer to an independent third party, principally the manufacturer's franchise dealer. The Arbitration Manager will rule on the third-party diagnosis as it relates to the Auction's arbitration policy. The decision of the Arbitration Manager shall be final and all parties agree and consent to the auction's right to interpret and modify these rules and policies without notice or limitation.

PAYMENT

Payment Options: Newly registered dealers with the Auction will be required to pay by cash or cashier's check. A dealer may apply for check writing privileges by submitting a completed "Bank Letter", which can be found under our dealer registration menu on this web-site. When approved, checks must be written on the Dealer's business account, which must be in the same name as they have registered with the Auction.

Buyer must pay for each vehicle on the day of sale and prior to the vehicle's removal from the Auction. Payment must include bid price, Buyer's Fee, and all other applicable fees and charges.

- **Company Check:** A dealer may pay for vehicles with company checks *ONLY* after they have been approved by the Auction for check writing privileges; checks must be drawn on the buying Dealer's *business* account. One check should be submitted for each vehicle. The Auction will deposit your check when the title is received by Auction.
- **Inventory Financing:** The Auction provides several outside inventory financing programs to pre-approved dealers.
- **Cash Payment:** A maximum of \$5,000 cash will be accepted per auction from any single buying dealer.

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

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

Storage Fees: Vehicles left on the Auction premises for more than five days after purchase or after cancellation of consignment shall be subject to storage at the Auction's normal daily storage rate found in the Auction's fee schedule.