

Auctions In Motion General Policies

All customers should become knowledgeable of our policies. The Auction reserves the right to change the policies as needed. Lack of knowledge of policy requirements will not release dealers of their obligation to abide by them.

These policies are established to help everyone transact business with confidence.

THE AUCTION DOES NOT VERIFY AND MAKES NO REPRESENTATION, WARRANTY OR GUARANTEE AS TO THE CONDITION, SAFETY, DESCRIPTION, EQUIPMENT, SERVICE AND REPAIR WARRANTIES, MILEAGE OR ODOMETER READING OR ACCURACY OF ANY VEHICLE SOLD OR OFFERED FOR SALE AT THE AUCTION AND ONLINE.

THE AUCTION IS UNDER NO OBLIGATION TO INSPECT OR REPRESENT THE CONDITION OF ANY VEHICLE SOLD OR OFFERED FOR SALE AT THE AUCTION. ANY COMMENTS OR REPRESENTATIONS BY THE SELLING DEALER CONCERNING VEHICLES SHALL NOT BE DEEMED TO BE COMMENTS OR REPRESENTATIONS BY THE AUCTION.

ANY INFORMATION PLACED ON THE WINDSHIELD OF A VEHICLE, SUCH AS MILEAGE, YEAR, MAKE, MODEL, ETC., IS FOR CONVENIENCE AND REFERENCE PURPOSE ONLY AND IS NOT A REPRESENTATION OR WARRANTY OF CONDITION OF SALE.

- A. The Auction reserves the right to interpret all policies and to decide all issues of dispute. The Auction's decisions shall be binding and final.
- B. Only licensed motor vehicle dealers or their authorized representatives are eligible to transact business at this Auction.
 1. To apply for approval, dealer must furnish:
 - a. Dealer registration form.
 - b. Copy of dealer's license and/or salesperson's license.
 - c. Resale permit.
 - d. Banking and business references.
 - e. Valid driver's license and social security number.
 - f. Copy of surety bond.
 - g. Federal tax ID number (if applicable, otherwise Social Security Number).
 - h. Corporate resolutions showing corporate officers.
 - i. All dealer sales representatives will have on file with Auctions In Motion current sales person license, driver's license and social security number.
 - j. If payment intentions are to pay by company check a credit application would be required. Contact an auction rep for more information.
- C. If any part of any deal is negotiated and/or consummated on Auction premises, full Auction fees must be paid to the Auction.
- D. No under the age of 18 are allowed on Auction premises.
- E. The Auction does not guarantee or get involved in factory warranties.
- F. The Auction will not knowingly accept for sale:
 1. V.I.N. plate that has been removed or altered unless reassigned by proper authorities.
 2. Unsafe vehicles--to be determined by Auction.
 3. Gray Market vehicles or vehicles not meeting U.S. standards.
 4. Vehicles without clear USA titles.
 5. Clip Vehicles--vehicles that have been pieced together.
- G. "Auction reserves the right to refuse service to anyone."
- H. The auction has not verified and makes no representation or guarantees as to the description, equipment, warranties, or odometer reading on any vehicle sold or offered for sale. Buyer assumes the responsibilities to verify all of seller's representation, warranties, and descriptions and to notify the Auction in case of any discrepancy not later than closing time on the day of sale, or as specified in the five-day guarantee rules. Any information placed on the windshield of a vehicle such as mileage, year, make, model, etc. is for convenience and reference purpose only and is not a representation, warranty, or condition of sale. It shall be the responsibility of all customers to review the Auction's rules and arbitration policies and any revision thereto, before doing any business at the Auction. These rules and policies, as well as any and all revisions will be posted on the Auction premises. Free copies of the Auction's rules and arbitration policies are available at the front counter, dealer registration, and at the arbitration office. Customers who do not comply with Auction

rules may be barred from doing business at the Auction.

1. All vehicles are offered at the customer's own risk (both buyers and sellers). The Auction is not liable for any stolen or damaged items (including radios and other accessory equipment).
 2. The Auction accepts no responsibility for minor collisions or paint damages.
- I. The condition lights on the auction block are for your assistance only and are not grounds for arbitration.

Printout (KSRs): Printouts must be current within 30 days of when title is turned in and be by V.I.N. Number and not license plates--and must accompany any title.

Late Titles: If Auction has not produced documents necessary to transfer title from the seller, the vehicle may be returned to the seller for "NO TITLE" after 45 days from the date of purchase provided advanced notice has been given to the arbitration manager. The seller will have until the close of business the following day after the notice has been given to provide title to the Auction. If the seller fails to provide title within 45 days, the Auction, at its discretion, may cancel the sale or take necessary steps to secure title. All expense in obtaining the title will be charged to the seller. No expense will be paid to the buyer on vehicles returned for "NO TITLE". Titles not received after 120 days from the date of the purchase are subject to being returned. Vehicles returned to the seller for 120 day late titles or vehicles being returned for undisclosed brandings are subject to the reimbursement costs of verified reconditioning and repairs. Reconditioning and repair refunds cannot exceed \$2,500 dollars or 50% of the total purchase price of the vehicle whichever is less. Buyer must return the vehicle in like or better condition than was purchased.

Off Block Sales

Off Block Bids: Consigned vehicles must first cross the block before any offers will be approved by the Auction. Vehicles sold off the block will be strictly sold "AS-IS" with no arbitration including frame and odometer problems. Off blocks are not final until both buyer and seller consummate the deal including buyer's signature on the invoice.

Outside Sales: The appropriate sales fees and buyer's fee are payable to the Auction on any transaction when contact is made on Auction premises whether or not the vehicle is sold on the auction block.

METHOD OF PAYMENT ON SALE DAY

- Checks--company or certified, only with prior approval by Credit/Collection manager.
 1. Checks returned will be subject to service charges of, 1st time a \$100.00 service charges, 2nd time a \$200.00 service charge and 3rd time a \$300.00 service charge. Check privileges will be revoked
 2. Cash or check payments are due on sale day unless prior approval has been granted by the auction or credit manager. AIM will collect a \$50 handling fee on all transactions where cash is used to pay for a vehicle invoice. The fee will be charged only once per vehicle. Access to the Auction may be denied to all representatives pending payment of outstanding vehicles.
 3. Change of payment, as indicated on invoice, made after the close of sale is subject to a \$15 charge.
 4. Payment for vehicle can only be accepted from the dealer or a representative/driver with a valid Auction card.
- Flooring -- The Auction accepts flooring from multiple flooring companies. Units may be floored only with the prior approval of the Auctions Credit/Collection manager and the flooring agency. AIM will collect a \$20 handling fee on all transactions where flooring is used to pay for a vehicle invoice. The fee will be charged only once per vehicle.

Vehicles sold in excess of \$50,000 or more must be paid for with certified funds or vehicle flooring. Company checks will not be accepted unless prior approval has been granted by the auction or credit manager.

Any vehicle not paid for in accordance with the Auction policy will be consigned at the discretion of the credit department and resold. Should a deficit exist the dealer will be liable for all costs associated.

Any returned check will subject buyer to suspension or termination of credit privileges. Buyers will

also be expected to pay all expense connected with collection of unpaid items.

Buyers

Please examine all vehicles before bidding and be familiar with all announced conditions of the unit. Vehicles should not be road tested until the buyer has the proper sales receipts for release from the lot. Please examine the serial number, license plate, model, year, and the mileage reading before leaving the sale. Pay for each vehicle with a separate check.

Authorized dealer representatives

If the dealer of record wishes to authorize an individual to act as his or her agent, the dealer of record must do so through Auction Access. When the dealer extends this authorization, [s]he shall be responsible until such time as [s]he informs the Auction, in writing, of cancellation of this authorization through Auction Access. The dealer of record shall be responsible for retrieving the Auction identification card or informing the Auction if [s]he is unable to do so.

Sale Day Guarantee

You have until 8:00pm the same day to arbitrate "Sale Day Guarantee" vehicles.

1. No defects in engine, transmission, drive train, differential or C.V. joints.
 - A. Any Item that can be visually and mechanically check by the buying party are considered invalid Items: Brakes, front-end, clutches, electric and fuel systems, power steering, power seats, power windows, power door locks, electrical switches, radios, cd players/changers, air suspension systems 4 model years and older, shocks or struts, TPM systems, or engine leaks unless excessive and is causing damage to vehicle.
2. Broken odometers are TMU without guarantee and must be reported within 5 business days (Sale Day is Day #1).
3. Any single mechanical defects that can be determined to be fixed by the Auction mechanic for \$500 or less are not subject to arbitration. **THIS REFERS TO WHOLESALE COST OF PARTS AND A LABOR RATE OF \$90.00 per hour.****
4. Vehicles announced "Altered/Modified Emissions" cannot be arbitrated for aftermarket air intakes, missing or altered exhaust and/or catalytic converters, and superchargers/turbo chargers. "As-Is" vehicles do not require any altered emissions disclosers.
5. ** Vehicles sold for \$75,000 or more are subject to an increased repair cost calculation threshold of 2% of the purchase price of the vehicle.**

Five Day Guarantee Including Sales Day

Buyers must notify the Arbitration Department when vehicles have been returned. If no one is available in Arbitration, someone in management must be notified before you leave the Auction premises. All vehicles must be returned in like or better condition. 5 day guarantee applies to frame ONLY on vehicles that did not obtain a PSI.

1. Flood, fire and frame damage not announced repaired or not:
 - A. Frame damage from normal use: Scratches, scrapes, jack or lift marks, minor corner tiedown marks not resulting from accidents and minor upper core support damage not affecting integrity, minor damage in front of shock towers on unitized bodies are NOT grounds for rejection.
 - B. Bumpers and trailer hitches installed (or removed) where new holes are drilled, OEM holes are enlarged, or if the towing package is welded or brazed to the structure require discloser.
 - C. Frame damage reimbursement policy: Any vehicle returned for frame damage, the Seller will only pay for transportation, one way up to \$200 receipt required. Vehicles

must be returned to the original purchase location within the 5 day arbitration period.

2. Engine changes and/or fuel conversions must be announced the time of sale on vehicles selling for more than \$5,000 to avoid arbitration.
3. Any vehicle announced with "Frame Damage" automatically includes "Air Bags Deployed and/or Damaged".
 - A. Vehicles with properly replaced airbags do NOT require any disclosures.
4. Gross Smog Polluters: It is our policy that we will arbitrate any vehicle that has been designated a "Gross Polluter" **prior** to it being sold at Auctions In Motion. Please be advised the key word is prior and lack of knowledge by the consigning dealer has no relevance. No expenses will be reimbursed other than transportation, one way up to \$200 receipt required.
5. Vehicles being returned for broken or inoperative odometers must notify the arbitration department within 5 business days of the original purchase date, sale day is day 1. Vehicles must be returned to the original purchase location within 48 hours of the arbitration notification.
6. Vehicles with altered suspension do not require disclosure unless structure has been modified from its OEM form.

General Arbitration

ALL VEHICLES MUST BE PAID FOR IN FULL PRIOR TO ENTERING THEM INTO ARBITRATION.

Buyers are encouraged to inspect vehicles prior to sale and well in advance of the vehicle crossing the auction block. Buyers are responsible to understand the price that the auctioneer is offering. Any misunderstanding concerning the price must be addressed before the auction sale is complete. Once the auctioneer has concluded the auction sale for a particular vehicle, the successful buyer is bound to pay the purchase price and any buyer fees associated with the sale. The vehicle price is not subject to arbitration. It is the buyer's responsibility to submit any vehicle into arbitration that fails to meet the Auction guarantee, see **Sale Day Guarantee and Five Day Guarantee, including sale day**. This should be done immediately after purchasing the vehicle.

The decision of the arbitration supervisor is final. Vehicles entered into arbitration after the end of the sale will not be processed until the following day. Time limit for five-day arbitration: Buyer must present vehicle to the arbitration supervisor on or before closing time of the fifth day of purchase (Sale Day is Day #1). Five days does not include Saturday, Sunday or legal holidays as observed by the Auction.

Expenses:

- Vehicles returned to the consignor for arbitration reasons are subject to documented expenses incurred by the buyer, and subject to the sole discretion of the arbitration supervisor, except for frame damage and late title vehicles. Expenses cannot exceed \$2,500 dollars or 50% of the total purchase price of the vehicle whichever is less. Buyer must return the vehicle in like or better condition than was purchased. Excluded recon expenses include but not limited to: Detail/Wash, used parts, used tires, fluid maintenance, smog and safety services, or other services/expenses deemed temporary or unverifiable. Questions regarding covered expenses must be validated by the arbitration manager prior to entering arbitration.
- The Auction only pays one-way transportation up to \$200 (receipt required) for all vehicles submitted for arbitration should the arbitration claim be verified.
- Vehicles returned for arbitration are subject to all fees including sale fee, buyer's fee and arbitration fees.

Post-Sale Inspections (PSI) Policy:

Post-Sale Inspections evaluate the condition of vehicles purchased at Auctions In Motion locations, consist of both a frame and a mechanical inspection and are offered to vehicles sold with a guaranteed announcement. If any item or part that was inspected fails during that period (excluding announced or cautionary items) could be subject to arbitration.

The following items and areas are included as part of the PSI. Frame/Unibody & Mechanical Inspections check specific items contained within the list. The checklist applies to defects that are singularly \$500 or more to repair or replace.

- Odometer Verification
- Transmission Engages & Functions
- Engine Function & Operation
- 4X4 System Engagement
- ABS/Brakes Function
- Flood or Fire damage Inspection
- Emission Control Equipment Present
- Supplemental Restraint System/Airbags Check
- Frame or Unibody Structure Checked for Damage

PSI Guarantee:

- All items checked in the Post Sale Inspection are guaranteed for 5 working days (Sale Day is Day #1).
- Vehicles challenged for issues must have 200 miles or less accumulated on the odometer between the time of inspection and the challenge date.
- The Post Sale Inspection guarantee is not a buy-back policy but a guarantee of the operation and function of the items inspected.

PSI Terms and Conditions:

- The buyer is responsible for the PSI fee even if the vehicle fails inspection
- Vehicles that pass the PSI and are later found to have arbitral items. The vehicle will be processed in the same manner as all other arbitrations. If the arbitral items found were missed on the PSI, Auctions In Motion will be responsible for the arbitration discussions with the seller.
- If a vehicle fails a Post-Sale Inspection and the buyer chooses to void the sale based on misrepresentations made as to the vehicle's condition, the vehicle would enter the arbitration process. Buyer and Seller are entitled equally to dispute inspection findings within reasonable amount of time.
- Vehicle condition at the time of return must be the same or better as when purchased.
- The following are not covered under the PSI policy:
 - Hand-Built Exotic Vehicles (including but not limited to Aston Martin, Bentley, Bugatti, Dodge Viper, Ferrari, LaForza, Lamborghini, Lotus, Maserati, Maybach, McClaren, Panoz, H1 Hummer and Rolls Royce) **
 - Kit Vehicles
 - Trailers
 - Motorcycles
 - Watercraft
 - Recreational Vehicles
 - Antiques (20 years or older)
 - Homemade Vehicles
 - Modified Vehicles
- ** Sellers may choose to guarantee Hand-Built Exotic Vehicles with extended time frame parameters for offsite 3rd party inspections. Buyers are given 48 business hours beginning at the start of the sale day time to inspect these vehicles not to exceed 100 miles on the odometer.

"As Is" Vehicles

Various defects and conditions may be announced by the auctioneer, but this does not mean that there are no other unannounced defects or conditions, Buyers are cautioned to listen to all announcements. The buyer is bound to accept any vehicle that is sold "As Is" and cannot subject the vehicle to arbitration or

unwind, for any reason other than unannounced conditions specified as follows:

1. Fire damage.
2. Bonded, Insurance and/or Salvage Titles.
3. True Mileage Unknown (TMU) or broken odometer.
4. Theft Recovery.
5. Total Loss and/or Salvage Retention.
6. Biohazard Vehicles as required by law.
7. Lemon Law/Manufacture's Buyback.
8. Grey Market Vehicles.

100% As-Is Red Light vehicles

Vehicles sold for \$750 or less are not subject to arbitration for any undisclosed conditions.

Titles

Any original title from the 50 states will be accepted when accompanied by the documents required for registration in the State of California. The following titling documents are not acceptable without disclosure:

1. Duplicate title applications. (Unless announced prior to sale of vehicle)
2. Junk bill of sale.
3. Lien documents, government auction (such as Marshal sales not accompanied by title).
4. Foreign title documents.
5. Salvage certificates and transfers.
6. Paperless title certificates and transfers.
7. Salvage and recovered thefts must be announced.
8. Attention out of state buyers: Titles for vehicles purchased at this Auction will conform to California DMV transfer requirements only.
9. Even though Federal law does not require mileage to be recorded if the vehicle is over ten (10) years old – we as an auction do request that if mileage is available the titles is to be fully completed, i.e. trade-in customer to you and so on.
10. Late Title Calls: Our Title Department is here to assist you – please do not call sellers directly as there probably has been research done. We will require the last 6 of the VIN or the invoice number to assist you.

STRUCTURAL DAMAGE POLICY

- A. Seller's Disclosure Requirements - Seller must disclose structural damage, repairs or Replacement as outlined in this policy prior to selling a vehicle at auction. The recommended declarations are:

1. Structural Damage - The vehicle has structural damage and/or repairs and will not be subject to arbitration under this policy.
2. Certified Structural Repairs - The vehicles has sustained damage to a specifically identified structural component, which has been repaired, and the vehicle has been certified to be within the Used Vehicle Measurement Standard (UVMS). The vehicle, if properly announced, may be arbitrated only for improper repair of the designated area, existing damage or repairs to other areas, or failure to be within the UVMS (see Paragraph C)
3. Structural Alteration - The vehicle has an altered frame or unibody as specifically announced. The vehicle can be arbitrated only for damage or repairs to structural components other than those disclosed or in the event of improper alteration. Such a disclosure should be made for the following alterations, unless they are clearly obvious by the appearance of the vehicle:
 - i. Frame lengthened or shortened.
 - ii. Suspension altered.

- iii. After market accessories installed/removed.
- iv. No disclosure is required for properly installed towing package.
- B. Seller's Disclosure Not Required - No declaration would be required for existing insignificant damage or repair thereof. Insignificant damage is defined as:
 - 1. Damage due to transport tie-down, improper jacking or lifting or contact with parking abutments and/or road debris, provided that the vehicle is within the UVMS.
 - 2. Damage solely to glass or bolt-on components.
- C. Use Vehicle Measurement Standard - For purposes of arbitration under this policy the Used Vehicle Measurement Standard (UVMS) specifications are:
 - 1. The vehicle will measure to a tolerance of no more that +/- 8mm of published specifications in 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 total tolerance of no more that 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.
- D. Measurement of Vehicles - Auction will have a vehicle measured at a facility of its choice. Prior to measurement a vehicle must first visually indicate a physical condition to warrant the measurement. Purchaser will agree to pay for this measurement if the vehicle is within the UVMS.
- E. Arbitration period - Buyer must arbitrate improperly disclosed structured damage within 5 working days including sale day.
- F. ANY VEHICLE ANNOUNCED "NO-ARBITRATION" INCLUDES FRAME DAMAGE, AIR BAGS DAMAGED, DEPLOYED, and/or MISSING.
- G. The C pillar/quarter or Cab panel may or may not be a structural component(s) as per the vehicle manufacturer.
- H. Buyer's Reimbursement by Seller - In the event of improperly disclosed structural damage the Seller will be responsible to reimburse the Auction for:
 - 1. Transportation costs from the buyer's dealership (One way only) up to \$200 transportation invoice is required.