

**1. General Policies:**

- A. Our goal is to provide a fair and honest business environment. These arbitration policies are guidelines. Common sense and fairness shall prevail in our interpretation of these policies.
- B. In matters of interpretation of auction policy, decisions made by auction management shall be final.
- C. Any violation of these rules may result in a suspension from the auction.

**2. General Procedures:**

- A. No retail customers are allowed on the premises.
- B. For safety reasons no children are allowed on the premises.
- C. Any vehicle in the auction sales lot must be offered for sale on the auction block before it can be designated as a "no sale" and removed from the premises.
- D. Auction management reserves the right to void a transaction.
- E. For purposes of auction policy, model year changeovers occur on January 1 of each year.
- F. Arbitration issues are subject to inspection for verification of the complaint.
- G. It is the vehicle owner's responsibility to provide insurance coverage for damages that may occur to his vehicle while on auction property.
- H. Audio and Video recording is in use in our auction lanes. Video recording is in use at other locations at our auction.
- I. The auction follows the NAAA recommended Water/Flood damage policy.

**3. Title Guarantee**

- A. The Auction Insurance Agency guarantees that there is no lien on the vehicle and that the vehicle is not a stolen vehicle. Nothing else is guaranteed.
- B. Every vehicle purchased has a guaranteed title, even "As Is" vehicles.

**4. As Is**

Vehicles that meet any one of the following criteria are sold AS IS:

- 100,000 miles or more
- 10 years old or older
- Sales price of \$3,000 or less

The following conditions (if they exist) must be announced by the seller and sold AS IS:

- 1. Structural, Frame, or Unibody damage
  - 2. Rebuilt
  - 3. Salvage
  - 4. Flood damage
  - 5. Odometer Discrepancies. Sellers of "As Is" vehicles must comply with Federal Odometer laws.
  - 6. Municipal title
  - 7. Driver Education title
  - 8. Vehicles that were TAXIS
  - 9. Vehicles with a lift package
  - 10. Vehicles with after market engine modifications
  - 11. Antiques, snowmobiles, water craft, and motorcycles must be sold AS IS.
- If the proper announcements are not made the seller must repurchase the vehicle
  - There are no mechanical guarantees on "As Is" vehicles.
  - Vehicles sold "As Is" have a title guarantee.
  - Sellers can guarantee transmission and engine. "GMT" is guaranteed for 24 hours after the sale of the vehicle.
  - GSA stands for General Service Administration: Prior government vehicle must be announce as-is.

**5. Off The Block Sales**

Off the block sales are arbitratable. In the event that there are conflicting unverifiable claims between the buyer and the seller, the benefit of the doubt will be given to the buyer.

**6. IF Sales**

Lease IF sales are binding on the buyer for 2 hours from the time of bidding.

Dealer IF sales are binding on both parties for 1 hour from the time of bidding.

A counter offer from either party is considered to be a rejection of the original IF bid. A counter offer eliminates the binding time period for both parties.

After the binding time period has expired either the buyer or the seller may notify the Flint Auto Auction IF office that they do not wish to complete the transaction, then both parties are free to enter into other transactions

The buyer who signs for a "If Sale" vehicle on the auction block has the first option to purchase the vehicle. For example, if the original bid price is rejected by the seller, the original buyer has the first choice to purchase the vehicle if he will match any higher bids offered by other parties.

## 7. Ride & Drive

The seller has the option to offer a vehicle for sale on a "**RIDE & DRIVE**" basis. Vehicles announced as "ride & drive" are subject to rejection for **any** reason, even if the vehicle is free of defects. The buyer's privilege of rejecting the vehicle expires after 2 hours.

## 8. Announcement Lights

The following announcement lights are in use:

- Green – OK
- White – Previous Canadian Vehicle
- Blue – Title Not Present
- Purple – Non Michigan Title
- Yellow – Caution
- Red – As Is

## 9. Seller's Responsibilities:

All vehicles offered for sale must comply with the following:

1. All vehicles are subject to inspection by the State Police, Federal Bureau of Investigation, or National Auto Theft Bureau before the vehicle can be offered for sale.
2. All vehicles must have the **manufacturer's** VIN plate (state issued VIN plates are not acceptable)
3. Any VIN number discrepancies anywhere on the vehicle are cause for an inspection by the State Police or National Auto Theft Bureau before the vehicle can be offered for sale. Examples of a VIN number discrepancy include missing or illegible door stickers.
4. The year and type of engine must be the same as the original.
5. The engine and body must have the same year as the title.
6. The vehicle must be originally manufactured for sale in the United States or Canada. European and other foreign conversion vehicles cannot be offered for sale.
7. Salvage title vehicles (which are not allowed on Michigan highways) cannot be entered for sale.
8. Assembled title vehicles cannot be entered for sale.
9. Convertibles should be run with the top up so that any damage is visible.

## 10. Seller's Announcements

It is the seller's responsibility to announce the following items. A vehicle can be arbitrated if the required announcements are not made.

A. The following items must be announced under the **yellow "caution" light unless otherwise noted:**

1. Visible defects (excluding glass) on **current and prior model year** vehicles. Examples include, but are not limited to: paint work, body work, hail damage.
2. Any single defect which equals or exceeds **\$350** to repair or 5 or more items \$200 or more, ***even if covered by warranty.***
3. Any non-standard item or major exception to original and **expected** equipment, such as no heater, non-standard engine, or 2 wheel drive versions of vehicles usually equipped with 4 wheel drive.
4. Vehicles without air conditioning.
5. Repaired or damaged unitized bodies or frames.
6. Altered or missing emission controls.
7. Motor homes: must announce if the model year of the body and chassis differ.
8. Vehicles with a manual transmission.
9. Missing or defective safety equipment such as spare tire, brakes, etc.
10. Conversion vans without 8 cylinder engines.
11. Full size pickups without 8 cylinder engines.
12. Vehicles with unknown mileage.
13. Malfunctioning odometer.
14. Knowledge that the vehicle's actual mileage differs from the mileage shown on the odometer.
15. Vehicle's actual mileage is in excess of 100,000 miles.
16. Vehicles that are currently, or were previously, titled in an insurance company's name.
17. Out of state titles (non-Michigan titles) – Purple Non Michigan Title Light.
18. Vehicles originally manufactured for sale in Canada – White Previous Canadian Light.
19. Prior theft recovery.
20. Prior significant damage history in CARFAX or similar database.
21. Prior manufacturers Lemon Law buyback.
22. Titles with repo papers attached.
23. Voided warranty.

## 11. Buyer's Responsibilities:

A. Any vehicle with defects or repairs under **\$350** is considered normal and acceptable, and cannot be arbitrated. "If sales" are included in this.

- B. The buyer is responsible for all visible vehicle defects, except for current and prior model year vehicles. Glass defects on current and prior model year vehicles are the buyer's responsibility. Seating arrangements are a visual item.
- C. The auction is not responsible for mileage figures written on vehicles (for example on windows).
- D. Buyers should thoroughly check and road test (not on sales lot) every vehicle before settlement to determine if it is properly represented and acceptable, and either pay for vehicle or file a complaint with the arbitration mechanics on sale day.
- E. When a vehicle is arbitrated, the buyer on the block has the first option to purchase the vehicle. If the original buyer rejects the vehicle it can then be sold to a new buyer. This policy also applies to "If Sales".
- F. All rejections and price adjustments must be authorized by the arbitration department.
- G. Any price adjustment eliminates further arbitration for mechanical defects.
- H. Each vehicle must be paid for with a separate company check.
- I. Removed emission controls must be brought to the arbitration office's attention **on sale day**. Removed emissions control is a valid reason to reject a vehicle.
- J. The auction does **not** guarantee the year of any miscellaneous item. Examples of miscellaneous items include but are not limited to: motorcycles, water craft, campers, trailers, snowmobiles, etc.
- K. Transmissions are arbitratable only within 7 days of the auction sale date.
- L. Cracked engine blocks are arbitratable only within **20 days** of the auction sale date.
- M. Frame and Unitized Body damage is arbitratable only within **20 days** of the auction sale date. The auction follows the NAAA structural damage policy.
- N. Odometer discrepancy is arbitratable only within **20 days** of the auction sale date.
- O. Unannounced Previous Canadian arbitratable only within **20 days** of the auction sale date.
- P. Lease Vehicles often have special arbitration policies; see the sale flyer for these vehicles.
- Q. Purchasing dealer must settle all arbitration/BPP claims before vehicle leaves the United States.
- R. Buyer should assume Previous Canadian vehicles cannot be certified unless otherwise announce.

## 12. Title Not Present

### A. Sellers Responsibilities:

1. A negotiable title is required to be presented to the auction within 2 weeks (Wed. to Wed.). When the auction receives the negotiable\* title we will disburse the sellers check.
2. The seller must announce "Non Michigan Title" when applicable.
3. In the event a negotiable title is not presented to the auction within 2 weeks (Wed. to Wed.), the buyer can make special arrangements to return the vehicle and void the sale. If the buyer and seller so choose they can continue the sale for an agreed amount of time.
4. Seller will be responsible for reasonable transportation costs on all voided sales.

### B. Buyers Responsibilities:

1. Buyer is required to give auction a separate check for each vehicle on auction day. The check will not be deposited until the auction receives a negotiable title.
2. Buyer understands that Seller has 2 weeks (Wed. to Wed.) to provide auction with a negotiable title.
3. Buyer is cautioned not to spend any money on unit, not to excessively drive unit, not to damage unit, and not to sell unit until which time the auction has received the negotiable\* title. Any expenditure made by the buyer is the buyer's responsibility and will not be reimbursed by the auction.
4. Vehicles bought "title not present" will not be allowed to be consigned until which time the Flint Auto Auction receives a negotiable\* title.