

South Bay Auto Auction



Initials

13210 So Normandie Ave Gardena, CA 90249 Office: 310-719-2000, Fax: 310-243-1240

Auction Rules – 4 pages

Arbitration

1. **Announcements.** The following must be announced regardless of which light a vehicle is sold under (*excluding "AS-IS"):
 - (a) * mechanical / electrical problems;
 - (b) * sludged engine;
 - (c) * cracked or repaired block;
 - (d) * vehicles not equipped with air conditioning (calendar year or newer);
 - (e) * paintwork (3 panels or more) current model year and newer (bumpers not included);
 - (f) * fuel conversion;
 - (g) * non-original engine (excl. items replaced under manufacturer warranty) calendar year up to 4 years old;
 - (h) * voided factory warranty;
 - (i) logo or decal misrepresentation;
 - (j) bio-hazard vehicles (both cleaned and contaminated), as required by law;
 - (k) frame/unibody damage (existing, altered, or repaired) per NAAA policy;
 - (l) floor damage as determined by auction inspection;
 - (m) state-issued VIN plates, incl. kit vehicles;
 - (n) taxis, livery vehicles, police cars, government vehicles that are calendar year and up to 4 years old;
 - (o) previous Canadian that are calendar year and up to 4 years old;
 - (p) Lemon Law/Manufacturer's Buyback;
 - (q) vehicles being sold with no title (bill of sale only);
 - (r) not actual miles/inoperative odometer;
 - (s) salvage vehicles, reconstructed vehicles, theft recovery vehicles, and stolen vehicles (incl. history);
 - (t) gray market vehicles;
 - (u) insurance and/or salvage titles (including history);
 - (v) vehicles being sold with a CO, MSO or repo affidavit title (if required by state law);
 - (w) pending state or local DMV fees or taxes over \$100 due on vehicle (if required by state);
 - (x) any state required damage disclosure; and
 - (y) flood damage history (discovered by DMV or insurance company records).

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All selling announcements shall be made by auctioneer only, and all representations by the seller must be announced through the auctioneer. **It is the seller's obligation to fairly represent the vehicle and to correct any errors made by the auctioneer as to "announced conditions."** It is the purchaser's obligation to watch lights and listen to "announced conditions."

2. **Complaints.** All complaints and rejections must be handled through the arbitration office within the acceptable arbitration period as set forth in the NAAA Arbitration Policy Matrix. Incorporated herein by reference. Both buyer and seller must await the decision of the arbitration office before leaving the auction premises.
3. **"AS-IS"**. Vehicles sold "AS-IS" are not subject to arbitration except for those listed in Section 1 (i) – (y), subject to the arbitration period as set forth in the NAAA Arbitration Policy Matrix, incorporated herein by reference.

The sale of any vehicle that has been arbitrated becomes an "AS-IS" transaction. Purchase transactions not occurring at the block also shall be "AS-IS" transactions unless guaranteed by the seller in writing.

SEE AUCTION POLICY – "AS-IS" DOLLAR AMOUNT, MODEL, YEARS, AND MILEAGE IS SUBJECT TO AUCTION POLICY.

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4. **Finality of Arbitration.** No future arbitration will be permitted for any reason, with the exception of only the following (sale day is day one):
- a. fuel conversion reported within 7 days;
 - b. non-original engine (excludes items replaced under manufacturer warranty) – calendar year and up to 4 years old reported within 7 days;
 - c. voided factory warranty reported within 7 days;
 - d. frame/unibody damage (existing, altered or repaired) per NAAA policy reported in 7 days;
 - e. flood damage as determined by auction inspection reported within 7 days;
 - f. state issued VIN plates, incl. kit vehicles reported within 7 days;
 - g. taxis, delivery vehicles, police cars, government vehicles that are calendar year and up to 4 years old reported within 7 days;
 - h. previous Canadian that are calendar year and up to 4 years old (unless state or local law supersede) reported within 7 days;
 - i. Lemon law / Manufacturer’s Buyback reported within 7 days;
 - j. vehicles being sold with no title (bill of sale only) reported within 7 days;
 - k. all broken odometers must be arbitrated within 7 days;
 - l. salvage vehicles, reconstructed vehicles, theft recovery vehicles and stolen vehicles (including history) reported in 7 days;
 - m. gray market vehicles reported within 7 days;
 - n. insurance and/or salvage titles (including history) reported within 7 days;
 - o. vehicles being sold with a CO, MSO or repo affidavit title (if required by state law) reported within 7 days after receipt of title;
 - p. pending state or local DMV fees or taxes over \$100 due on vehicle (if required by state) reported within 7 days after receipt of title;
 - q. any state required damage disclosure reported within 7 days after receipt of title;
 - r. flood damage history (discovered by DMV or insurance company records) reported within 120 days.

Items (a) – (c) are not subject to arbitration for vehicles sold “AS-IS.” Item (k) must be reported to purchaser prior to leaving the auction premises, or will be addressed via the depreciation formula as described in the NAAA Arbitration Policy, incorporated herein by reference. Transactions for Items (k) – (n) can be rescinded if arbitrated within the stated time limits; however, arbitrations initiated after the stated time period will be addressed via the depreciation formula described in the NAAA Arbitration Policy, incorporated herein by reference.

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5. **Return of Vehicle to Buyer.** If after arbitration the vehicle is returned to the seller for failure to announce one of the conditions listed in (a) through (g) above, seller shall pay sell and buy fees. Buyer must notify South Bay Auto Auction of its intent to arbitrate and return any vehicles to the auction 24 hours in advance. South Bay Auto Auction may approve or deny buyer's request to arbitrate and return the vehicle. If approved for arbitration, the buyer must follow all directions by the auction relative to returning the vehicle or the arbitration request will not be recognized by the auction. Return of the vehicle to the auction does not negate the buyers financial obligations under the pending sale and any vehicles delivered to and left on auction premises without auction approval remain the sole responsibility of the buyer. Buyer assumes all risk of loss once the vehicle is in the possession of the buyer and pending arbitration.
6. **Visible Defects.** Visible defects are not subject to arbitration (e.g. body damage, glass, lowered, lifted, etc.)
7. **Inoperative Gauges.** Vehicles with inoperative gauges or lights except for odometers as set forth above are not subject to arbitration.
8. **Arbitration Decisions.** South Bay Auto Auction's arbitration manager will make the final decision on all arbitrations.
9. **Payment for Vehicles.** Auction is not a party to the contract of sale. The sales contract is between the seller and buyer only. South Bay Auto Auction is not obligated to pay for any vehicle for any reason.
10. **Stolen Vehicles.** Seller shall settle all stolen vehicles sold through the auction at the purchase price less 2% per month for every month from the date of sale.
11. **Window Information.** Mileage and other information printed on the windows of any vehicle is for the convenience of the dealer only. This information is not to be relied upon as complete and/or accurate and is not subject for arbitration.
12. **Additional Details.** Refer to the NAAA Arbitration Policy for additional details.
13. **Non-Runner Vehicles.** Non runner vehicles are strictly AS-IS including odometer, salvage, and total loss.