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GENERAL POLICIES

(Terms & Conditions)

EFFECTIVE DATE: January 1, 2024

MAG Now has arbitration policies that are similar to the National Auto Auction Association (NAAA) standards. However, there are important differences and exceptions that make the MAG Now auction experience unique. We believe that these differences benefit both sellers and buyers. We urge you to familiarize yourself with our policies to assure that you have a positive experience using our platform and that you receive the full benefit of our experience.

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I. GENERAL POLICIES

1. Fair and Ethical Sale

Sales made with MAG Now are intended to promote a fair and ethical treatment of both the Buyer and Seller. If MAG Now determines that the transaction is not fair and ethical to either party, then the Seller and the Buyer agree that MAG Now may cancel the sale, at its sole discretion, at any time. This provision also applies to any clerical or administrative error made by MAG Now. Any arbitration is subject to these General Policies and Terms and Conditions. Buyers and Sellers acknowledge that conducting business with MAG Now is a privilege that may be bestowed, or revoked, by MAG Now in its full discretion. As a condition of transacting business on our platform, Buyers and Sellers agree that MAG Now may, in the exercise of its sole and absolute discretion, enforce, interpret or waive these Rules and Policies (Terms and Conditions) in any particular case or circumstance, when it determines that doing so is needed to assure the fair and equitable treatments of all parties to a transaction. Federal, State, and Local laws supersede these policies where applicable.

1. MAG Now Role in Sale

- a) As the auction, MAG Now is neither a seller nor a buyer. It makes no representations, warranties or any guarantees of any kind as to the description, equipment, warranties, service policy, title status/accuracy, odometer accuracy or any other matter on any vehicle sold or offered for sale. MAG Now is acting as the agent of both the seller and buyer and, in such capacity, may act upon the verbal or written instructions to sign transaction documents or instruments on behalf of seller or buyer.
- b) MAG Now 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 vehicle sold at auction as required by the Motor Vehicle Information and Cost Savings Act of 1972, the Truth in Mileage Act, as the same have been or may be amended from time to time, and any other applicable federal, state and/or local law or regulation. MAG Now is not responsible or subject to any liability for the accuracy of odometer readings, odometer statements, declarations/announcements, or other disclosures, which responsibility remains with the seller.
- c) All vehicles bought or sold on the premises must be processed through the MAG Now office. Failure to do so will result in suspension of trading privileges with MAG Now and its affiliated auctions.

2. Outside Sales

Any sale that is agreed upon between the buyer and seller via MAG Now, but the vehicle is not sold on the platform, that transaction is considered an "Outside Sale". All applicable buyer and seller fees are payable to MAG Now in connection with any Outside Sale.

3. MAG Now VIN Policies

a) All vehicles consigned must have a visible public Vehicle Identification Number (VIN) plate attached to the vehicle. The original dash VIN must be present, unaltered and legible. The condition of all other VIN plates and placements are subject to the sole discretion of the auction. Those vehicles having a reassigned VIN plate in place of the original VIN plate must be announced or will be subject to sale cancellation or Buyer

- return. MAG Now reserves the right to refuse the sale of any vehicle in which the VIN plate appears to be altered in any way.
- b) 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. Reassigned VIN plates are required to be disclosed and announced on any vehicle less than 20 years old.

4. MAG Now Right of Review

MAG Now reserves the right to review any available documentation and information to verify the accuracy of a sale.

5. MAG Now Exclusions

- a) MAG Now is not bound by information listed in Electronic Data Vehicle Histories (EDVH), i.e. Carfax, AutoCheck, etc., and a vehicle may not be arbitrated solely on information contained in the EDVH data. MAG Now may, but shall not be required to, independently investigate vehicle history based on information found in EDVH for information that may impact arbitration.
- b) Inoperative/non-running consignments, including but not limited to vehicles announced or otherwise disclosed as "As-Is", are not subject to arbitration as to any matter (except for odometer misrepresentation or title), regardless of age or price.
- c) Kit vehicles and homemade vehicles are sold "As-Is" and cannot be arbitrated for odometer, frame, warranty books, or model year or any other matter.
- d) Collector Car Policy: Arbitration of vintage vehicles will be limited to overt or intentional misrepresentation. Questions regarding any such vehicle, including but not limited to questions concerning any prior repair, reassigned VIN plate (20 years and older), and replacement of major part of other components, must be addressed by the buyer prior to purchase. In the absence of specific announced representations to the contrary, all vintage/collector vehicles sold on an "as-is/where-is" and not subject to arbitration for any matter or issue.

6. Additional Responsibilities for Buyers

- a) Buyers are advised to use the protections afforded by the Buyer Protection Plan on all eligible purchases.
- b) The Buyer will inspect the vehicle immediately upon arrival at Buyer's location. The Buyer must notify MAG Now of any condition report discrepancies over \$800 within two days of receipt, not to exceed 10 days from purchase. (Note: Discrepancies that are less than \$800 are MAG Now's discretion)
- c) The Buyer will verify odometer reading upon arrival at Buyer's location. Mileage must be the same as when purchased if arbitrating for inoperable odometer.
- d) Note: vehicle grades are assigned based on the assumption that each vehicle meets the "green light" functioning criteria as described in this policy. For vehicles sold under other conditions (i.e. As-Is or announced defects) buyers are hereby reminded that the grade indicated on the condition report does not reflect the limited guarantee or announced defects.

7. Government Inspection

All vehicles registered/sold on MAG Now are subject to inspection, with or without prior notice, by the FBI, State Police, National Auto Theft Bureau, Local Police or other Law Enforcement Authorities, any other governmental agency, or quasi-governmental agency, whether or not a warrant or other legal process is presented.

II. VEHICLE DISPLAY PAGE

1. Auction Light System

MAG Now has a standardized system to describe the condition and/or disclosures related to the vehicle being sold. The system is defined as:

- a) "Green Light": Verified vehicles that are not "As-Is" are "green light" signaling the vehicle is guaranteed under the conditions outlined in the Disclosure/Discovery Arbitration section and NAAA terms where applicable, except for specific contrary disclosures or declarations (equivalent to announcement) made at or prior to sale.
- b) As-Is: Vehicles selling As-Is will only qualify for limited arbitration under the rules outlined in the Disclosure/Discovery section of these General Policies.

2. Standard/Default Advisory

MAG Now will determine the "light code" based on information available and it is the Seller's responsibility to inform MAG Now of disclosures and declarations/announcements that impact the status.

- a) "Green Light": Appropriate for functioning vehicles that are safe to drive and lack the specified declarations.
- b) As-Is: Appropriate for non-vehicles (boats, RV's, etc.), vehicles that are inoperable and/or unsafe to drive, and vehicles with the following title brands and/or declarations:
 - · Flood damage
 - Non repairable/junk certificate
 - Non runner
 - Tow required
 - Rebuilt title/vehicle*
 - Total loss and/or salvage retention*
 - Bonded, insurance and/or salvage title*
 *Will run As-Is but seller has the option to "green light" and assume all arbitration liability

III. SELLER RESPONSIBILITIES

All representations, warranties and other guaranties as stated by the Seller are those of the Seller only and not MAG Now.

- 1. Seller will be held responsible for the accuracy and completeness of all representations or descriptions. This includes handouts, catalogues, vehicle markings, condition information or vehicle listings and verbal or written statements made by Seller, Auction or Selling Representative at the time of sale. The Seller understands that the "sale light" or As-Is status is a binding arbitration representation of vehicle condition and is therefore responsible for the vehicle accordingly.
- 2. Following the Federal Odometer Disclosure Law effective January 1, 2021, mileage announcements are not required for vehicles that are 20 years or older starting with model year 2011 and/or are 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 disclosures made by the Seller and all known odometer discrepancies are grounds for arbitration.

- 3. Title discrepancies must be announced including, but not limited to: not actual miles, salvage, theft recovery, stolen vehicle, flood damage, Lemon Law buybacks and trade assist.
- 4. If a vehicle is being offered for sale by a third party, an announcement of "3rd Party Seller" is required. Disclosure requirements and time limits are subject to local auction policy.
- 5. Announcements are required as stated in this policy, and additionally under WA state law or federal statutes or regulations. Announcements must be disclosed on the auction invoice/sale contract/bill of sale or equivalent document.
- 6. The announcement of the presence of warning lights does not exempt a Seller from arbitration responsibilities as defined by the policy. The issue/defect found to be the cause of the light may be arbitrated within the stated time period and dollar amount threshold according to the Arbitration Matrix.
- 7. The availability of a manufacturer's warranty shall not affect a Buyer's right to arbitrate a vehicle. Regardless of the warranty coverage in terms of the root cause of the complaint, an announcement may be required.
- 8. In the event of a successful arbitration by the Buyer, 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. Reimbursements that qualify under these guidelines will be at the sole discretion of the Auction and will be limited to the reasonable and documented expenses at auction (wholesale) repair cost.
- 9. Seller will not be paid for vehicles in arbitration until arbitration is settled and vehicles are sold. For arbitrations occurring after the seller has been paid, seller is required to promptly return the payment to the auction if the transaction is voided as a result of Arbitration.
- 10. When a Vehicle is listed for Sale on the platform, it is the Seller's responsibility to ensure the Vehicle is available for sale. Cancelation of sale due to a sold vehicle being unavailable (retailed, sold elsewhere, etc.) may result in a cancellation fee of \$550 and may be responsible to pay all fees that would have been due had the vehicle been sold on the platform. The Seller will also be responsible for any other costs incurred, such as dry-run transportation charges. The buyer will receive compensation of \$500 in platform credits. All charges and buyer compensation is at the auction's discretion.
- 11. DMV fees owed in the State of California must be announced if the total exceeds \$100. Failure to do so will result in the Seller paying all fees owed.

IV. BUYER RESPONSIBILITIES

- 1. Prior to placing bids, the Buyer is responsible for inspecting the vehicle and the condition report, reviewing all photos, notes (disclosures made in "Seller Notes" are equivalent to Declarations and exempt from arbitration), declarations and disclosures made by the Seller, Auction or selling representative. Buyers are also responsible for observing and understanding the sale lights (As-Is), which identify sale conditions for the vehicle. Once the vehicle is sold, the Buyer should check the Auction sales receipt or appropriate document to confirm the vehicle price and declarations are correct.
- 2 Buyer acknowledges that a uniquely assigned bidder number displayed on the bill of sale constitutes a legally binding electronic transaction. Auction reserves the right to modify/change the bill of sale within a reasonable time of the initial transaction.
- 2. Buyers are advised to utilize the Buyer Protection Plan on all eligible vehicles purchased.

- 3. The auction will not arbitrate vehicles based on any unintentional errors or omissions of any promotional information related to the vehicle.
- 4. Buyer agrees to be liable for any and all work done to a vehicle (including a vehicle purchased as unavailable or absent) prior to returning the vehicle to Auction except on vehicles arbitrated for undisclosed conditions not detectable through vehicle inspection, including but not limited to, not actual miles, salvage, theft recovery, stolen vehicle, flood damage, Lemon Law buybacks and trade assist.
- 5. The Buyer is financially responsible for any pending sale and assumes all risk of loss until arbitration is final.
- 6. The Buyer is required to provide the necessary information, including estimates and/or receipts in a reasonable timeframe or arbitration will be cancelled.
- 7. The Buyer or Buyer's agent (transporter or driver) must note any damage prior to removing the vehicle from the Auction, seller lot or facilitation service provider's location. Auction and/or facilitation service provider will not be responsible for any damage not identified on the gate release or the condition report once the vehicle is removed from the sale location.
- 8. Buyer purchases not picked up within 45 days are subject to storage fees and right to impound vehicle by Auction up to maximum dollar amount allowed by WA state or federal law. Buyer purchases not picked up within 21 days are subject to cancellation of sale at the Seller's request, pending MAG Now approval.
- 9. 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 Auction. Time is of the essence. Any failure on the part of the Buyer, after becoming aware of said claim, to notify Auction of any claim in a timely manner or failure of the Buyer to cooperate in defending any such claim shall relieve Auction and seller of any liability under this policy.
- 10. A vehicle is not considered returned until received, inspected and approved for return by Auction management. Any vehicle returned must be in the same or better condition as when sold. 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. Vehicle must be returned in a timely manner consistent with Auction direction.
- 11. There may be a charge for excessive mileage on a returned vehicle at the discretion of the Auction.
- 12. The Seller/Auction 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 Auction to Buyer, Buyer may not return vehicle.

V. TITLE ARBITRATION POLICY

1. 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 unconditionally guarantees the titles of vehicles that are sold through MAG Now. This guarantee of the title warrants that the title shall be marketable and free and clear of all liens and encumbrances. "Encumbrances" shall be deemed to include any brand (such as "salvage") noted upon the current or any prior certificate of title, unless such encumbrances were disclosed and announced at the time the vehicle is sold through MAG Now and for a period of four (4) years from the date of sale. Seller's liability under this title guarantee shall never exceed the MAG Now sale price (the "maximum amount") of the vehicle, and this maximum amount shall be reduced by two percent (2%) per month following the sale date. All liability under this title guarantee shall expire and terminate 48 months after the MAG Now sale date. MAG Now will not be

responsible for any expenses or other loss or damage incurred on or otherwise related to vehicles returned for late title.

2. Seller's Title Guarantee

Seller warrants, represents and unconditionally guarantees possession and conveyance of a certificate of title, properly executed, valid in the state where the transaction is occurring, free and clear of all liens and encumbrances, and seller warrants and will defend such title against the rights, claims and demands of all persons whatsoever. MAG Now does not require announcement of or arbitrate for unpaid California DMV fees.

3. MAG Now Right to Remediate Clerical Error

If the title problem is due to a clerical or coding error, or incomplete documentation, MAG Now shall be given reasonable time after receiving notice of any alleged title defect to have the error corrected.

4. Buyer's Title Claim Notice to MAG Now

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 MAG Now. This involves giving the full detail and particulars of any claim, cooperating fully in defending any legal action, and in taking other steps to minimize or otherwise mitigate possible loss.

5. Title Assignment

Title must be reassigned or otherwise transferred directly to Buyer. No title assigned directly to MAG Now will be accepted.

6. Payment After Title Receipt

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

7. Non-Titled Vehicle Rules

- a) MAG Now accepts no responsibility for non-titled vehicles sold without title. Seller must disclose and 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".

8. 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.

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

a) Title Arbitration Policy: Seller has up to a maximum of 30 days to present a title - unless the sale was announced "Delayed Title" at the time of sale (sale day is day 1). After day 30, it is the Buyer's option to

return the vehicle. A 5-day notice is required prior to returning the vehicle. Buyer may give notice of intent to return vehicle on the 25th day (WA). In the event "Delayed Title" is announced at the time of sale, the seller has up to a maximum of 45 days to present a title (sale day is day 1). After 45 days, it is the Buyer's Page 7 option to return the vehicle. A 5-day notice is required. Buyer may give notice of intent to return vehicle on the 40th day.

- b) Buyers are cautioned to not sell or make repairs to a purchased vehicle until title is received. In the event a vehicle is returned due to lack of title from the seller, Buyer is only entitled to the auction buy fees and reasonable transportation expenses to and from the Buyer's dealership, and shall have no right to recover any other loss or damage, including, without limitation, no right to recover any lost profit, interest accrual, or any damage asserted by a third party purchaser as a result of buyer's inability to delivertitle.
- c) Buyer Responsibilities: The Seller/MAG Now 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 MAG Now to Buyer, Buyer may not return vehicle. Buyer is required to notify MAG Now in a timely manner consistent with MAG Now's policy before returning vehicles. If a valid negotiable title is presented within the MAG Now 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 MAG Now shall have no duty to produce the certificate of title to the Buyer and shall have no duty to pay Seller.

10. Applications for Duplicate Title

Applications for duplicate title will not be accepted except as follows: (a) Washington Paperless Titles (Paperless/PPL) and Lost Title Applications (LTA) will be accepted and are subject to the following conditions: (i) Must be announced; (ii) Failure to announce a Lost Title Application or Washington Paperless Title may result in the sale being canceled or the Seller being charged for all costs associated with obtaining a free and clear title. Handling to be determined at the sole discretion of the Auction; and (b) Non-Washington dealers may purchase vehicles announced as "PPL", "Paperless Title" or "LTA." Buyer will be responsible for cost of obtaining a Washington title and Buyer may not arbitrate the vehicle for late title. Oregon and Idaho dealers will be required to accept PPLs and LTAs based upon the then current Washington state title rules.

11. Title and Vehicle History – see Arbitration Matrix

Seller must declare the following, whether or not the current title is branded:

- a) Branded Title: Any brands appearing on the title, or which will appear on the title. Applies to all vehicles, regardless of age and sale price.
- b) Salvage History: A total loss (as determined by NMVTIS), salvage, junked or prior salvage vehicle.
- c) Canadian Imports: Canadian vehicles that are ten (10) model years old and less. <u>NOTE</u>: to be eligible for consignment and sale, Canadian vehicles must have a U.S. title and meet U.S. standards.
- d) Police, Taxi, Government and/or Livery.
- e) Warranty Return: A vehicle that has been declared a warranty return (a Lemon Law vehicle).
- f) Flood damage.

12. 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 MAG Now from and against 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.

13. Buyer Delivery Responsibility

MAG Now will not be responsible for delivery of titles mailed, via regular U.S. First Class mail, from MAG Now and not received by the Buyer. Buyer has the choice of alternative delivery method, if desired, and will advise MAG Now of its choice and will pay MAG Now for such service. In the absence of such notice, MAG Now is authorized to mail the title to buyer via U.S. First Class mail.

14. Manufacturer/Lemon Law

For vehicles sold with a Manufacturer/Lemon Law Buyback disclosure, the Seller must also disclose any contingencies or additional requirements that the buyer must meet to receive Title. (E.g., Signed disclosures or acknowledgements from subsequent retail buyers).

15. Seller Additional Fees

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

VI. PREVIOUS CANADIAN AND/OR GREY MARKET VEHICLES

A Canadian Import disclosure is required for any vehicle (regardless of manufacturing origin) having been registered in a Canadian province. Additional announcements may be required as well due to the use in Canada.

1. Eligible Vehicles

Any vehicle not originally built to U.S. specifications can, under certain circumstances, be imported through a registered importer who modifies the vehicle to comply with U.S. equipment and safety regulations and then certifies it as compliant, and an independent commercial importer who modifies the vehicle to comply with U.S. emissions regulations and then certifies it as compliant. Only vehicles properly converted to U.S. specifications can be sold and must be announced as such.

2. Seller Responsibilities

Seller must inform MAG Now that a vehicle has grey market history at time of registration and must disclose that to the buyer in writing as an announced condition on all documentation supporting the transaction.

3. 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 vehicles imported 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:
 - i. U.S. Safety Standard Certification label that identifies the Registered Importer
 - ii. Valid U.S. Title or Legal Foreign Title
 - iii. Meet ALL Federal NHTSA, D.O.T. and/or E.P.A. Mandated Guidelines
 - iv. Documentation must be provided
- c) All 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.

4. Factory Warranty

Vehicles announced as "Canadian Import" are subject to warranty limitations and denial. Buyers are advised to become familiar with warranty issues prior to purchase of "Canadian Import" vehicles. There will be no arbitration for denial of warranty coverage on any vehicle sold as "Canadian Import".

VII. ARBITRATION GUIDELINES

Vehicles that have any of the defects outlined the Arbitration Matrix that were not disclosed or announced at the time of sale must be reported to Auction within the time frame noted below in order to be eligible for arbitration. Vehicles must be returned to Auction in the same or better condition than when purchased.

1. Time Period

Refer to the Arbitration Matrix for arbitration time periods. Sale day is Day 1. Arbitration shall end at the close of business as determined by each Auction on the last calendar day in the time period.

2. Process

Any single mechanical defect that has a repair cost of \$800 or more is subject to arbitration on vehicles sold under "green light" and lack of announcement per the Arbitration Matrix. Arbitration may be initiated by either the buyer or the auction inspection staff, but must be initiated within the timelines as described in the policy document. Repair costs will be determined by the auction and will reflect the auction's best estimate of normal wholesale repair cost. If price adjustment is made and accepted, the deal will be deemed final and is not subject to any further arbitration for that class of arbitration (e.g. mechanical, structural or title/history). The auction management makes the binding decision upon both the Buyer and Seller on all arbitration matters.

3. Fees

Auction reserves the right to assess an arbitration fee to the Buyer. If the arbitration is valid, Auction reserves the right to assess an arbitration fee to the Seller in addition to any charges associated with the arbitration.

4. Not subject to arbitration:

- a) Vehicles sold As-Is, only title and odometer are guaranteed.
- b) Kit vehicles or homemade vehicles are sold "As-Is" and cannot be arbitrated for odometer, frame, warranty books, or model year.
- c) Noise and Inherent Conditions: No arbitration can be based on noises or conditions that are inherent or typical to a particular model or manufacturer. Generally speaking, it is our intent to arbitrate for conditions that require repair or are indicative of a failure / malfunction of some type, or deemed "excessive" at the discretion of the auction. Our benchmarks are based on the common or typical functioning of the vehicle in question.
- d) Manual Transmissions: Vehicles with standard transmissions cannot be arbitrated for manual clutches unless the defect will not allow an adequate test drive.
- e) Wearable Items: Auction will not arbitrate vehicles for wearable items normally worn vs excessively worn or inoperative (not inherent). 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 driven the average miles per model year (15k). These items are normally identified in the Owner's Manual for routine check and replacement and would include, but are not limited to, suspension components, tires, wipers, brake pads, shoes, rotors, belts, hoses, lubricants/fluids, timing belts, bulbs, filters, shocks and struts.
- f) Unsafe vehicles: Auction reserves the right to reject any vehicle that management judges to be unsafe.
- g) 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.
- h) Vehicles with more than (auctions discretion) miles from time of sale.
- i) Vehicle Accessories on vehicles over 4 years old. For this policy, a Vehicle Accessory is defined as "optional or non-essential equipment or components that are not required for the basic operation and function of the vehicle." Accessory examples include but not limited to Navigations Systems, Sunroofs/Moonroofs, etc. (see addendum for details) Furthermore, the determination of four (4) years will be based on calendar years. For example, as of 2023, accessories on vehicle model years of 2019 and earlier would not be subject to arbitration.
- j) Oil leaks that are NOT actively dripping and visible by inspection.
- k) Vehicle modifications (e.g., suspension raised or lowered, aftermarket supercharger, etc.) must be announced unless As-Is, the method used for the modification will not be arbitrated. Buyers are advised to become familiar with any modifications prior to purchase. Buyers are hereby additionally advised that vehicles modified from the original design are inherently unreliable and subject to premature component wear and / or failure. Modified vehicles are subject to limitations for arbitration and BPP coverage at the sole discretion of the auction.

Disclosure/Announcement Required

Arbitration Time Periods

·				
	Green Light Only	As-Is Only	Green Light Only	As-Is Only
	Major Components			
Sludged Engine	Yes	No	Standard	N/A
Missing Airbag	Yes	Yes	Standard	Standard
Engine Problem	Yes	No	Standard	N/A
Transmission Problem	Yes	No	Standard	N/A
Cracked or Repaired Block / Transmission / Transfer Case / Differentials	Yes	No	Standard	N/A
4X4 System / Running Gear Problem	Yes	No	Standard	N/A
ABS Problem	Yes	No	Standard	N/A
HVAC Problem	Yes	No	Standard	N/A
Power Steering Problem (Hydraulic and Electrical System Components)	Yes	No	Standard	N/A
Emission Control Equipment Missing or Inoperable / Performance Modifications	Yes	No	Standard	N/A
4X2 Vehicles Modified to Resemble 4X4	Yes	Yes	Standard	Standard
SRS (Safety Restraint System, Airbag Light)	Yes	No	Standard	N/A
Hybrid or Electric Vehicle Battery Problems and/or Missing or Inoperable Battery Charger	Yes	No	Standard	N/A
	Vehicle History and other Issue	es		
Structural Damage/Certified Structural Repair or Replacement/Structural Alteration Per NAAA Structural Damage Policy	Yes	Yes	Standard	Standard
Inoperable Odometer	Yes	Yes	Standard	Standard
Not Actual Miles or True Miles Unknown	Yes	Yes	30 Days	30 Days
Total Loss and/or Salvage Retention (By Insurance Records) **	Yes	Yes	30 Days	30 Days
Theft Recovery/Stolen Vehicles (Including History) **	Yes	Yes	30 Days	30 Days
Bonded, Insurance and/or Salvage Titles (Including History) **	Yes	Yes	30 Days	30 Days
Flood Damage (By Auction Inspection) **	Yes	Yes	30 Days	30 Days
Lemon Law/Manufacturer's Buyback **	Yes	Yes	30 Days	30 Days
State-Issued VIN Plates (Including Kit Vehicles) Less Than 20 Years Old	Yes	Yes	Standard	Standard
All Taxis and Livery Requiring Local or State Licenses and Law Enforcement Vehicles	Yes	No	30 Days	N/A
Previous Canadian Vehicles (Current Model Year and Up to 10 Model Years Old) Unless State or Local Law Supersedes	Yes	Yes	30 Days	30 Days
Grey Market Vehicles **	Yes	Yes	30 Days	30 Days

Vehicles Being Sold with No Title (Bill of Sale Only)	Yes	Yes	Standard	Standard	
Voided Factory Warranty	Yes	No	30 Days	N/A	
Fuel Conversion	Yes	Yes	Standard	Standard	
Non-Original Engine (Excludes Items Replaced Under Manufacturer's Warranty) Current Model Year and Up to 4 Model Years Old	Yes	No	Standard	N/A	
Logo or Decal Misrepresentation	Yes	Yes	Standard	Standard	
Biohazard Vehicles (Existing or Cleaned)	Yes	Yes	Standard	Standard	
Flood Damage History (Discovered by DMV and/or Insurance Company Records) **	Yes	Yes	120 Days	120 Days	
Other Issues					
Vehicle Accessory Electrical Problems * (Current Model Year and Up to 4 Model Years Old) - See Addendum	Yes	No	Standard	N/A	
Convertible Tops	Yes	No	Standard	N/A	
Exterior Cosmetic Wraps that Exceed 50% of Vehicle Exterior Panels	Yes	No	Standard	N/A	
Paintwork (3 Panels or More) on Current Model Year and Newer (Excludes Bumpers)	Yes	No	Standard	N/A	
Vehicles Being Sold With a Government Release for Title (i.e.: 27A, SF-97-1, and etc.),CO,MSO or Repo Affidavit Title (If Required By Law)	Yes	Yes	7 Days After Receipt of Title	7 Days After Receipt of Title	

Time Period vs. Sale Channel Breakdown

Pending State or Local DMV Fees or Taxes Over \$100 Due On Vehicle (If Required By Law)	Yes	Yes	7 Days After Receipt of Title	7 Days After Receipt of Title
Concealed Damage greater than \$800 at sole discretion of the auction	Yes	No	Standard	Standard
Any Disclosure Required By Law	Yes	Yes	7 Days After Receipt of Title	7 Days After Receipt of Title

Sale Day = Day 1 for all timelines

Standard is 48 hours from purchase without BPP for qualifying issues, 5 days from receipt or 14 from purchase with BPP purchase

^{**} These transactions may be subject to arbitration regardless of the stated time limits. Arbitration claims initiated after the stated time period will be addressed via the depreciation formula described in "Title Arbitration Policy" (Paragraph I).

IX. STRUCTURAL DAMAGE, ALTERATION OR CERTIFIED STRUCTURAL REPAIR OR REPLACEMENT POLICY

The purpose of the NAAA 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 NAAA affiliated auctions. The policy is intended to provide adequate disclosure to the buyer for informed purchase decisions and to limit arbitrations for the seller. This policy, along with the main Arbitration Policy will serve as the primary criteria for all arbitration proceedings.

1. 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 macro types:
 - i. **Unibody** A type of structure whereby the floor, roof, panels, etc. are bonded together into one unit, thereby eliminating the need for a separate conventional frame. Unibody structures are typically shorter, sturdy and have thinner wall thickness.
 - ii. Unibody on Frame A type of structure whereby a unitized structure is bolted to a conventional frame.
 - iii. **Conventional Frame** A type of structure consisting of two symmetrical rails (beams) connected by cross-members.
- b) **UVMS** Used Vehicle Measurement Standard. The commercially acceptable measurement deviation from the vehicle's original structural specification for any deviation not to be considered structural damage.

2. Recommended Disclosures

- a) **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.
- b) **Certified Structural Repairs/Replacement** Repairs to a specifically identified structural component of a vehicle that has been certified to be within the Used Vehicle Measurement Standard (UVMS).

3. Seller Disclosure Requirements

Sellers must disclose structural damage, alterations, repairs or replacements (certified or non-certified) as outlined in this policy prior to selling a vehicle at auction regardless of sales channel or light condition. Disclosures are required for the following:

- a) Any/all existing permanent (*nonrepairable* aka kinked or broken) structural damage as defined in this policy.
- b) Improper and/or substandard prior repairs (not meeting OEM repair guidelines).
- c) Repairs not certified to be within the UVMS Improper alterations to the structure Lengthened or Shortened structure.
- d) Altered suspension that requires the structure to be modified from its OEM form. This requirement is not

applicable for vehicles that are obviously raised or lowered. The method used for altering the suspension will not be arbitrated unless the auction in its sole discretion determines that the vehicle is unsafe to operate.

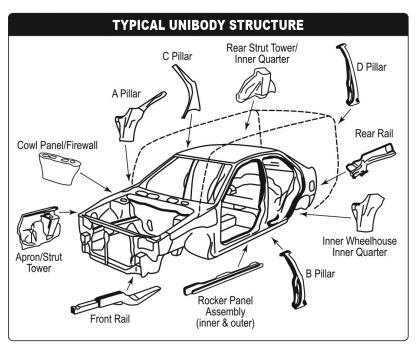
- e) After-market accessories installed or removed to the structure.
- f) Towing packages installed (or removed) where new holes are drilled, OEM holes are enlarged, or if the towing package is welded or brazed to the structure or are not visible on ¾ and 1-ton vehicles. Any ½ ton vehicles are required to be disclosed regardless.
- g) Multiple access holes (regardless of size) or singular access holes greater than 5/8". Access holes between 1/4" and 5/8" are subject to disclosure based upon location and condition of structural component.
- h) Corrosion of structural components determined by one or more of the following; when the substrate loses its shape, the original bonds near the affected area are loose or no longer in existence, the original thickness of the substrate has been reduced by more than 25%, the affected area can longer possess its absorption or deflection properties or at Auction discretion.
- i) Structural tear damage (i.e. transport tie down) if more than 1" in length (measured from tear start/stop points).
- j) Damage due to improper jacking or lifting that permanently deforms structural components outlined in this policy.
- k) Damage due to contact with parking abutments and/or road debris that permanently deforms structural components outlined in this policy.
- I) Roof bows/braces that have been modified, have existing damage or removed. A replaced roof skin is not a required disclosure in terms of the Structural Damage Policy.
- m) The C pillar/quarter or Cab panel may or may not be a structural component(s) as per the vehicle manufacturer.

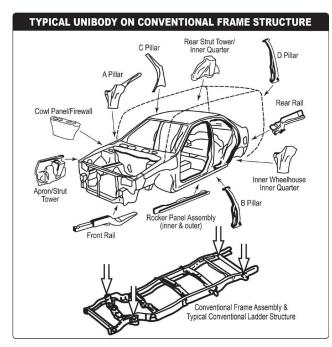
4. Arbitration Rules for Structural Damage

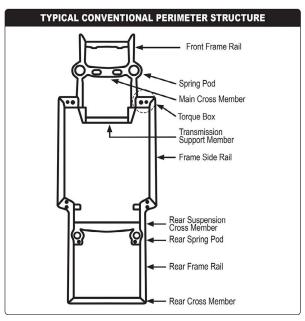
- a) A vehicle may be arbitrated if it has undisclosed existing damage or repairs, which should have been disclosed under this policy, even though the vehicle is within the UVMS. If structural damage is properly disclosed, the vehicle may only be arbitrated for improper repair of the designated area, 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 or rear body panels do not require a structural disclosure under this policy.
- d) Damage to the aprons, rail floor pan assembly, inner wheelhouse (upper or lower), D pillar (if equipped) or other ancillary structural components on a unitized structure in the area where the radiator core support or rear body panel attaches will require a disclosure if permanent damage exists.
- e) Brazed exhaust hangers are not a required disclosure under this policy.
- f) Facilitating auction 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 reserves the right to 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) Visual evidence supersedes any/all mechanical or electronic measurements.
- h) For measurements according to the UVMS, the following guidelines will apply:
 - i. 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 control points that capture the front (2), center (4) and rear (2) sections of the vehicle.
 - ii. Symmetrically (comparative measure from side to side and point to point based on point measurement), the length, width and height must measure to a difference of no more than 6 mm. Upper body measurements (tram gauge) by themselves will not be adequate.
- i) Buyer must arbitrate any/all structural misrepresentations as outlined in this policy within published timelines (outlined in the main Arbitration Policy Guidelines) from date of purchase (purchase day counts as Day One).
- j) 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 timeframe allowed for the vehicle to be returned.
- k) In the event of improperly disclosed structural damage by the seller, the buyer will be entitled to reimbursement in accordance with the main Arbitration Policy.

		Structural Damage Disclosure Requirement			
	Structural Component	Unibody	Unibody on Conventional Frame	Conventional Fram	
1.	Frame Rails (including Front, Center & Rear Rails)		Existing Permanent Damage, Removed, Modified, Repaired	l or Replaced	
2.	Spring Pod, Torque Box or Stablilizer Mount	N/A	Existing Permanent Damage, Removed, Modified, Rep	aired or Replaced	
3.	Cross Members (Except Bolt-On)		Existing Permanent Damage, Removed, Modified, Repaired or Replaced		
4.	Apron Assembly	Existing Permanent Damage, Removed, Modified, Repaired or Replaced N/A			
5.	Strut Tower Assembly	Existing Permanent Damage, Removed, Modified, Repaired or Replaced N/A			
6.	Cowl Panel/Firewall	Existing Permanent Damage, Removed, Modified, Repaired or Replaced N/A			
7.	Support Pillars (Includes A, B, C*, D)	Existing Permanent Damage, Removed, Modified, Repaired or Replaced			
8.	Roof Braces/Bows	Existing Permanent Damage, Removed, Modified, Repaired or Replaced			
9.	Rocker Panel (Outer)	Replacement Only N/A			
10.	Rocker Panel (Inner)	Existing Permanent Damage, Removed, Modified, Repaired or Replaced N/A		N/A	
11.	Floor/Trunk Panels	Tears 1" or More, Existing Damage, Removed, Modified, Repaired or Replaced Panels N/A		N/A	
12.	Quarter* or Cab* Panel	Replacement Only N		N/A	
13.	Inner Quarter Panel Assembly (Includes Inner Wheelhouse Panel, Rear Strut Tower, and Wheelhouse Extension Lower)	Existing	Permanent Damage, Removed, Modified, Repaired or Replaced	N/A	







XI. FLOOD, PUDDLE OR STREAM POLICY

Vehicles are frequently exposed to moisture during their ordinary operation, maintenance, and reconditioning. Occasionally, such exposure may leave residual marks or indicators similar to those left by exposure or immersion of the vehicle in floodwater. In determining what conditions require disclosure or in arbitrating vehicles for flood exposure/damage it is critical that the total condition of the vehicle be considered including VIN data history.

1. Disclosure Not Required

No disclosure is required nor is arbitration allowed for the following types of water exposure, provided that none of the components outlined below are damaged:

- a) Rain, snow or sleet due to open windows, doors or tops or leaking seals.
- b) Car wash or rinse water.
- c) Carpet or upholstery shampooing or cleaning.
- d) Stream, pond, puddle or floodwater that does not rise above the rocker panel or otherwise enter the passenger compartment.
- e) Stream, pond, puddle or floodwater that enters the luggage compartment, but does not damage any electrical components (such as lighting or wiring harness) or does not enter the passenger compartment.

2. Disclosure Required

Disclosure is required and arbitration shall be allowed under the following conditions:

- a) The title has been correctly branded indicating flood history of the vehicle.
- b) Any of the following components have been damaged due to stream, pond, puddle or floodwater immersion/ingress:
 - i. Front or rear internal lighting or wiring harnesses
 - ii. Engine and its major components
 - iii. Transmission and differential
 - iv. Dash instrument panel and wiring
 - v. Passenger seat cushions
 - vi. Power seat functions or window motor
 - vii. Major sound system components

3. Required Disclosure

The required disclosure is "**Flood Damage.**" This declaration must be made whenever existing or prior flood damage is found and must be sold under "Flood Damage" for all sale lights. However, it is recommended for these units to be sold on As-Is.

ADDENDUM: BUYER PROTECTION PLAN

- 1. Buyer Protection Plan
 - a. Purchase price of \$1 to \$3,000
 - i. BPP fee is \$100
 - ii. Only covers engine and transmission
 - iii. Coverage is limited to 50% of purchase price
 - iv. 5 days/14 total to open claim
 - b. Purchase price of \$3,001 to \$6,999
 - i. BPP fee is \$140
 - ii. Covers powertrain (engine, transmission, transfer case, differential)
 - iii. \$2,500 coverage
 - iv. 5 days/14 total to open claim
 - c. Purchase price of \$7,000 to \$14,999
 - i. BPP fee is \$180
 - ii. Covers powertrain (engine, transmission, transfer case, differential)
 - iii. \$3,500 coverage
 - iv. 5 days/14 total to open claim
 - d. Purchase price of \$15,000 to \$24,999
 - i. BPP fee is \$225
 - ii. Full "green light" coverage**
 - iii. \$4,500 coverage
 - iv. 5 days/14 total to open claim
 - e. Purchase price of \$25,000 and up
 - i. BPP fee is \$260
 - ii. Full "green light" coverage**
 - iii. \$5,500 coverage
 - iv. 5 days/14 total to open
- 2. As-Is units are not eligible for BPP
- 3. Baseline Coverage on AS-IS only covers title and odometer
 - a. AS-IS only used for non-vehicles, non-runners, unsafe to drive and branded title per mag now policy
- 4. "Greenlight" purchases without a BPP: only the frame, title and odometer are guaranteed
 - ** as defined in the mag now policy

ADDENDUM: VEHICLE ACCESSORY ELECTRICAL PROBLEMS

The following items will be covered under green light per matrix timeframe and dollar thresholds:

- Power sliding doors
- Power liftgates
- Power sunroof/shades
- Navigation systems
- Convertible tops
- Power running boards
- Air Ride major component defects (worn shocks will fall under wearable items and thus not covered)
- Advanced Driver Assist Systems

As more vehicles come equipped with Advanced Driver Assist Systems (ADAS) a specialized inspection and/or calibration may be needed during the lifetime of the vehicle. These systems include but not limited to the following:

- Front, rear, and 360 camera systems
- Rear parking sensors
- Blind spot detection
- Lane departure warning
- Adaptive cruise control
- Collision warning
- Lane keep assist
- Backup assist
- Autonomous driving function

These needs fall outside the scope of inspection for the Generic Condition Report due to the nature of both detection and troubleshooting being mechanical. Due to safety concerns, the NAAA Auction Standards Committee recommends any/all ADAS related concerns be investigated by a qualified 3rd party (as determined by Auction company representative) outside the auction property. All costs including transportation to and from location, diagnosis and any/all repairs or replacements will be responsible by seller and/or buyer depending on the outcome of the 3rd party's diagnosis.

The timelines for Arbitration will fall under the following:

Green Light Only	As-Is Only
Requires post sale inspection and follows BPP timeframes.	No Arbitration

ADDENDUM: OFFER POLICY

Our goal is to achieve the highest bid price through a competitive bidding process; offers will be considered with this same goal in mind. We prefer to make sales in the live auction environment.

Offers will be accepted on consigned vehicles only after the vehicle has been offered for sale. Offers are always subject to the approval of the seller and additionally are prioritized behind any high bid / offer made at the time the vehicle is offered. Offers can be made subject to the applicable conditions of sale and arbitration policies.

"Block Offers" (high bid held and submitted as an offer) will have priority over other offers. The high bidder on a resulting block offer will have the first opportunity to purchase the vehicle at the price approved by the seller.

Offers are binding until expired. We believe that sellers are best advised to be present when their vehicles are on the block to approve the sale based on competitive bidding. If a "block offer" is submitted, the buyer is required to purchase the vehicle. Buyers must respond promptly to the approval or counter offer. Failure to promptly complete the purchase will, at the sole discretion of the auction, result in loss of the first right to purchase as described above.

ADDENDUM: INDUSTRIAL/OFF ROAD USE

"Industrial / Off Road Use"

- a) Vehicles announced as this condition will:
 - i. Exhibit wear consistent with use in industrial settings (typically oil exploration & maintenance or mining).
 - ii. Not be eligible for "Green Light" coverage- i.e. must run "As-Is"
- b) Exhibit heavy wear and damage to skid plates and all areas of the undercarriage
- c) Undercarriage wear includes evidence of operation in deep mud
- d) Vehicles sold with this announcement when inspected for BPP or evaluated for BPP claims will be expected to allow for more wear of undercarriage components consistent with the disclosed use.
 - i. BPP claims will be limited to complete failure of major components (where applicable)

ADDENDUM: DAA SEATTLE STORAGE FEE POLICY

All vehicles purchased with DAA Seattle as the pickup location and left for more than 14 calendar days are subject to storage fees. Sale day is DAY 1; including holidays and weekends. Additionally, entering the vehicle in an upcoming sale will not preclude a purchased vehicle from storage fees.

All vehicles purchased elsewhere and shipped to DAA Seattle for the Buyer to pickup are subject to storage fees as well. The vehicle's arrival date is DAY 1.

STORAGE FEE POLICY: Cars and Light Trucks and Motorcycles

- The charge will be \$50 per week, per car.
- All charges will be posted weekly to your accounts receivable.
- All fees are final.
- Over-sized vehicles defined as larger than a single parking space subject to an additional \$50 per space.
- Please do not leave cars in the transport lot, as they will be towed if left for longer than 48 hours.

ADDENDUM: HIGHLINE SALE

NAAA Policies Apply in addition to:

- First \$800 of repairs are buyer responsibility (deductible)
- This includes both cosmetic and mechanical repairs not noted in the vehicles Condition Report
- Repair costs do not include safety inspection and/or detail. Safety items such as tire condition, brake pad life expected to meet minimum requirements.
- · Adjustments will be made for value of options if misrepresented but not eligible for unwind
- More than \$800 in repairs will be eligible for unwind; or concession if agreed on by seller and buyer with a mutually agreed timeframe for repair
- If vehicle is unwound, seller will reimburse buyers transport expense at an reasonable rate
- MAG holds the right to a third-party opinion if there is additional need for mediation on an arbitration
- If vehicle is double sold, seller will compensate the buyer \$500 with unwind fee
- CPO units must meet Manufacturer CPO standards

MAG will provide a condition report of the vehicle to include AutoGrade and focus on cosmetic items. Autocheck will be announced on all units.

Seller to guarantee mechanical, drivetrain, and disclose any known issues. Build sheets and/or accurate KBB book (w/ additional options), Repair orders and Carfax are highly encouraged. No BPP will be offered on these units as they are "seller guaranteed."

ADDENDUM: MARKETING COMMUNICATION

McConkey Auction Group (MAG) provides its customers with information including but not limited to upcoming auctions, promotional events, and acts of nature (i.e., power outages and internet service interruptions that impact our ability to conduct sales as planned). Licensed, registered McConkey Auction Group customers receive this marketing communication via email and/or text.

Customers may opt out of receiving these messages by clicking the UNSUBSCRIBE link at the bottom of any MAG marketing email and replying STOP to any MAG marketing text message. Additionally, customers may click the UPDATE EMAIL PREFERENCES link at the bottom of any magauctions.com page.

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