

Bel Air Auction Policies

General Policies

*Bel Air Auto Auction policies will override certain NAAA guidelines

This Policy Guide outlines the broad guidelines and policies for dealers conducting business at Bel Air Auto Auction. Dealers should read and understand our rules, policies and the manner in which we operate this dealer vehicle exchange before transacting business at this auction. Fairness must prevail in these business transactions between buyers and sellers, and dealers who register agree to abide by the policies and procedures of this auction.

All dealers must register with this Auction before buying and selling.

Bel Air Auto Auction is an Auction Access member. First time attending dealers must call ahead or visit our dealer registration counter to activate their Auction Access number with us.

The Auction reserves the right to accept or reject applicants. Use of our buyer's card is a privilege and is non-transferable. Bel Air Auto Auction may revoke the dealer's privileges when deemed necessary and the holder must return the card upon demand.

Dealer Registration files must be kept current. Changes in information such as ownership, authorized buyers, banks, bonding companies, etc. must be reported to the Auction in writing.

Dealers are responsible for their representatives. If a representative breaks any auction rules, the Principal will be held accountable.

Dealer and/or dealer's representative using a card agrees to abide by all the policies of this Auction in which the dealer and/or representative may be involved.

Safety practices prohibit children on the Auction premises.

Dealers entering the Auction may be asked to show proper Auction Identification.

Auction reserves the right to limit the number of "Drivers" accompanying an attending dealer and drivers must show a valid driver's license.

Retail customers are not allowed during dealer only auction scheduled times (See Lane Schedule).

All transactions (buying or selling of vehicles) taking place anywhere at this Auction's facility must be processed through the auction office. Any act or effort to circumvent this policy will be grounds for revoking the privileges of both the buyer and seller involved in the unauthorized transaction.

Buyers and sellers understand and recognize that this Auction acts solely as a Dealer Only vehicle exchange to facilitate the transaction between buyer and seller with title passing from seller to buyer. All transactions are strictly between the seller and buyer. The Auction is not

involved in chain of title, although the Auction provides specific title warranties as stated in the terms stated on the Vehicle Agreement of Sale (Block Ticket), which both seller and buyer sign.

Auction makes no representations or guarantees as to the description, logos, trim level, equipment, warranties, service policy, title status/accuracy, or odometer on any vehicle sold or offered for sale.

Auction 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 auction sale as required by the Motor Vehicle Information and Cost Savings Act of 1972 or any other applicable laws. Auction is not responsible for the accuracy of odometer readings, odometer statements, or damage disclosure statements.

Any sale in which the Auctioneer does not state the selling price of the vehicle or "sell under the hammer" is considered a "Lot Sale". All "Lot Sales" are conditional until the buyer signs the block ticket or appropriate document for the vehicle signifying they have inspected and accepted the vehicle. Until the appropriate document is signed, the sale is not binding to either party. Buyers are cautioned to inspect "Lot Sale" vehicles very carefully before purchasing because vehicles are sold "AS IS" with no arbitration.

All vehicles consigned must have a public Vehicle Identification Number (VIN) plate attached to the vehicle. Those vehicles having a reassigned VIN plate by the State in place of the original VIN plate must be announced or will be subject to sale cancellation or Buyer return. Auction reserves the right to refuse the sale of any vehicle in which the VIN plate appears to be altered in any way.

Auction reserves the right to review any audio/video documentation to verify the accuracy of a sale.

The Auction always attempts to administer and rule on matters involving transactions in an impartial and equitable manner. The Auction retains total discretion to make final judgments and to rule on all matters involving auction policies. Any effort to circumvent Auction policies or guidelines will not be tolerated. The Auction management will make all final decisions involving dealer disputes.

The Auction reserves the right to refuse the registration or consignment of any vehicle in which, in its discretion, it determines is unacceptable.

Seller may choose to offer limited warranties on "AS IS" units for engine, transmission, and frame on vehicles sold "AS IS" over \$3,000.

If vehicle is sold to an incorrect bidder, buyer must notify the auction on sale day, or that vehicle will become the responsibility of the buyer to which it was assigned.

The Auction may adopt new policies as required from time-to-time, and changes will be posted.

This Member Auction adheres to the general philosophy, mission statements and the Code of Ethics of the National Auto Auction Association.

Hours & Locations

Sale Every THURSDAY – Lanes Starting @ 8:00 AM

Bel Air Auto Auction – Clayton Station Facility –

Edgewood, Maryland

8:00 AM – Insurance Consignment, Damaged Rental Vehicles & Donations State and County Government Vehicles as scheduled monthly.

Bel Air Auto Auction – Main Location – Belcamp, MD

Lane Start Time Description

Lane 1 8:00 am Car & Truck

Lane 1 9:15 am Dealer Express

Lane 2 9:15 am Dealer Express

Lane 3 9:15 am Mile One

Lane 4 9:00 am Dealer Express

Lane 5 9:15 am Dealer Express

Lane 6 9:15 am Dealer Express

Lane 7 9:00 am Fleet

Lane 8 9:00 am Fleet

Lane 9 9:00 am Fleet

Lane 10 9:00 am Fleet

Vehicle Registration

Registration Hours

Monday, Tuesday, Wednesday, and Friday 8:00 AM to 5:00 PM

Thursday 7:00 AM to 5:00 PM

Registration Rules

- Early registration of vehicles begins at 2:00 PM on Thursday for the following week's auction date. To qualify for early registration, the vehicle must be physically present on the auction lot. Once registered, the vehicle must remain on the auction lot until it crosses the block on auction day.
- Phone-in number reservations begin at 8:00 AM on the Friday preceding the next week's auction.
- Reserved numbers are not transferable to another dealer.
- Absolutely no cancellations. Once numbers are reserved, you are responsible for fees.
- Numbers may be changed from one lane to another without extra charge prior to sale time.
- Late arriving vehicles may be run at the end of the Lane. No exceptions.
- Vehicles not removed from grounds by noontime Monday following each sale will automatically be re-registered for the current week's auction.

Gate Release

- Any vehicle leaving the auction yard must have a stamped and bar-coded gate pass.
- Security guards are not authorized to issue gate passes.
- Vehicles can be picked up 24 hours a day, 7 days a week **unless otherwise posted.**
- Any damage claims need to be written on the gate pass and verified by security before the vehicle leaves the premises.

Sale Light System

The auction has a light system which permits Sellers to describe the condition and/or announcements related to the vehicle being sold. Sellers are responsible for ensuring that their vehicles sell under the correct light.

Buyers are responsible for listening to announcements made by the auctioneer prior to the start of the sale for each vehicle. The Buyer is also responsible to observe and understand what the various lights mean.

GREEN LIGHT – Signals that the vehicle is covered by the auction’s rules for arbitration. Regardless of light, any vehicle selling for \$3,000 or less is automatically AS- IS and cannot be arbitrated for any reason except odometer or title discrepancy.

YELLOW LIGHT – Indicates the announcements have qualified the condition and limits arbitration of this vehicle.

RED LIGHT – “AS-IS” – Signals that the vehicle is not covered by the auction rules for arbitration. Vehicles sold under the Red Light cannot be arbitrated for any reason except frame, odometer, flood, or title discrepancy. Vehicles sold for \$3,000 and under are automatically AS- IS regardless of light and cannot be arbitrated for any reason except odometer or title discrepancy.

BLUE LIGHT – “CTA-Title Delay” – Identifies that the title is not present at the time of sale. See TITLE INFORMATION Section for CTA – Title Delay policies.

Arbitration

All arbitration must be handled through the Auction Arbitration Department.

Unless otherwise noted, arbitration claims must be brought to Auction Arbitration within one hour after the lane in which it was purchased closes.

Inoperable odometers must be brought to the Auction Management's attention by 5pm -the day of the sale. Vehicles must be on Auction premises to be verified.

Missing or deployed airbags, on Green Light units only, must be brought to Auction Management's attention by 5pm day of sale. Unit must be on Auction premises.

Emission control equipment missing or inoperable must be brought to Auction Management's attention by 5pm day of sale (subject to \$500 repair limitation). Unit must be on Auction premises.

Visible Defects are not grounds for arbitration.

Air Conditioning defects not subject to arbitration.

Oil leaks and/or Transmission leaks are not subject to arbitration unless deemed excessive.

Power Accessory (including sunroof & convertible top) defects not subject to arbitration.

The Auction will not be involved in arbitration, adjustment or settlement of any defect or claim on units sold outside of auction block. Such sales are considered AS-IS and cannot be arbitrated for any reason except frame, odometer, flood or title discrepancy except for units \$3,000 and under which can only be arbitrated for odometer and title discrepancies.

Check Engine, ABS, Air Bag, Fluid Level, Seat Belt Lights are not subject to arbitration, however mechanical issues over \$500 that are the root cause of the light are subject to arbitration on Green Light units only.

All guarantees as stated by the Seller are those of the Seller only. The Auction makes no representations or guarantees as to the description, equipment, history, warranties, service policy, title status/accuracy or odometer on any vehicle sold or offered for sale.

The auction does not guarantee or get involved in any factory or dealer warranty coverage issues on vehicles sold or offered for sale.

Audio visual electronic equipment is not subject to arbitration. Missing Navigation disks are not covered by Arbitration.

No Arbitration on vehicles over 20 years old – AS-IS

The Auction does not guarantee the information listed in Electronic Vehicle Data Histories and may not accept arbitration claims based solely on EDVH data.

The Auction does not guarantee any warranty books, VIN plates, or the year of kit vehicles, trailers, motorcycles, watercraft, recreational vehicles, antique, homemade or modified vehicles. All of these vehicles are sold AS-IS and have no odometer and/or frame guarantee. The auction does not guarantee titles on watercraft.

Donation Vehicles designated as Lanes 14 and 15, and Car & Truck Lane 35 are sold AS-IS and "WHERE-IS". ***There is no arbitration on these vehicles for any reason regardless of faults or conditions of any kind – including frame or flood, with the exception of unannounced title or odometer issues.***

Vehicles sold in Lanes 51 and 52 – Insurance Consignment, Damaged Rentals and Salvage are all sold AS-IS and "WHERE IS". ***There is no arbitration on these vehicles for any reason regardless of faults or conditions of any kind- including frame or flood, with the exception of unannounced title or odometer issues.***

The Auction Arbitrator will inspect only the defect which is on the arbitration form. Each vehicle is allowed one chance at mechanical arbitration. If price adjustment is made and accepted, vehicle becomes AS-IS property of Buyer and is not subject to any further arbitration for mechanical defects or adjustments.

Mechanical repairs less than \$500 are considered minor and not subject to arbitration.

Wearable items, including clutches, are not subject to arbitration.

Arbitration claims involving Auction's use of outside labor and/or expense will be charged against responsible dealer (to be determined by Auction).

Seller will not be paid for vehicles in arbitration unless or until arbitration is settled and vehicles are sold.

The decision of the Auction Arbitration Department is final and binding on both the Buyer and Seller.

Vehicles with more than 500 miles on odometer then originally sold will not be considered for arbitration.

Mile One vehicles sold in lane 4 are not eligible for arbitration.

Transportation costs will not be reimbursed per auction policy.

Arbitration Periods apply only if item is arbitrable, and sale day arbitration items are subject to time of day limitations.

Seller Disclosure Requirements or Can Be Arbitrated	Green Light	Red Light	Arbitration Period **
DRIVEABILITY ISSUES			

Frame Damage, altered, or repaired per NAAA Policy	Yes	Yes	7 Days
Unibody Damage, altered, or repaired per NAAA Policy	Yes	Yes	7 Days
Transmission Problem *	Yes	No	Sale Day Only
Engine Problem	Yes	No	Sale Day Only
Sludged Engine	Yes	No	Sale Day Only
Cracked or repaired block	Yes	No	Sale Day Only
4x4 system inoperable *	Yes	No	Sale Day Only
ABS Problem *	Yes	No	Sale Day Only
SRS-absence of or problems with (airbags) *	Yes	No	Sale Day Only
Emission Control equipment missing, modified, or inoperable *	Yes	No	Sale Day Only
Electrical Problems*	Yes	No	Sale Day Only
HISTORICAL-NON_VISIBLE ISSUES			
Taxis and Police Cars	Yes	Yes	7 Days
Flood Damage	Yes	Yes	7 Days

Fuel Conversion	Yes	Yes	7 Days
Lemon Law/Manufacturers Buyback	Yes	No	7 Days
Non-original engine (excludes items replaced under Manufacturer Warranty – up to 4 yrs old)	Yes	No	Sale Day Only
Not Actual Miles (Previously TMU)	Yes	Yes	7 Days
Canadian	Yes	Yes	Sale Day Only
Salvage or Reconstructed (including History)	Yes	Yes	7 Days
State-Issued VIN Plates (reassigned public VIN's) including kit vehicles	Yes	Yes	7 Days
Gray Market Vehicles	Yes	Yes	7 Days
Insurance and/or Salvage Titles (including History)	Yes	Yes	7 Days
Vehicles being sold with a CO, MSO or Repo Affidavit (if required by state law)	Yes	Yes	7 Days
Vehicles being sold with no title (Bill of Sale only)	Yes	Yes	7 Days After Receipt of Title
NON-ARBITRATABLE ISSUES			
Glass damage	No	No	None

Hail damage	No	No	None
Logo or Decal Misrepresentation	No	No	None
Tire problems	No	No	None
Upholstery Problems	No	No	None
Visible body damage	No	No	None

* Must announce Defects that are singularly more than \$500 to repair.

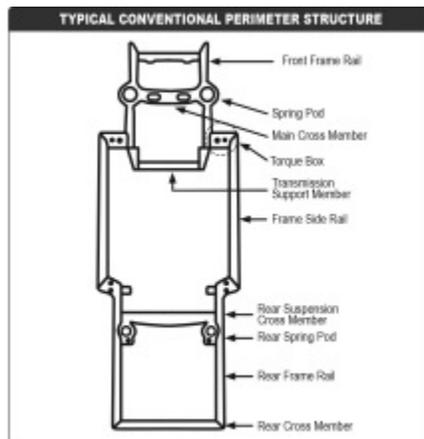
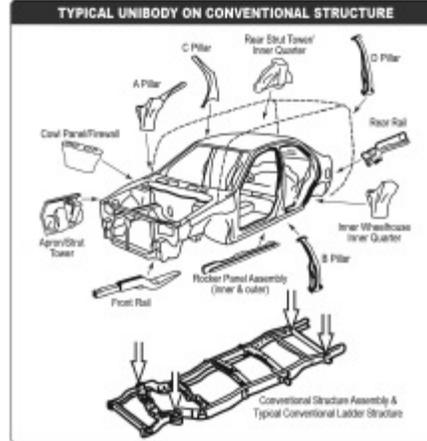
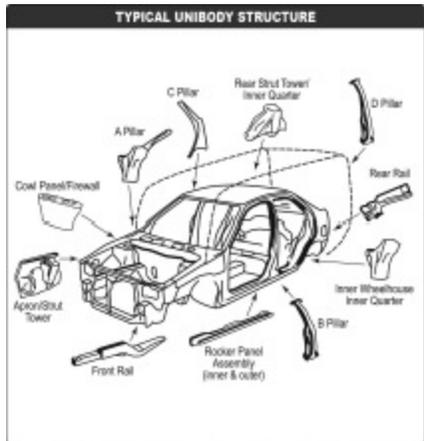
** Arbitration Periods apply only if item is arbitrable, and sale day arbitration items are subject to time of day limitations.

Frame Policy

- Any frame claim must be brought to the attention of Auction Management within 5 (five) business days from the sale date of vehicle. (Sale day is Day 1)
- This Auction follows the guidelines of the NAAA Structural Damage Policy. ([See Appendix](#))
- Arbitration Rules for Structural Damage, Alteration, Certified Repairs or Certified Replacement
 - A. A vehicle may be arbitrated if it has undisclosed existing permanent damage alteration, Certified Repairs or Certified Replacement, which should have been disclosed under this policy, even though the vehicle is within the UVMS. If a structural issue is properly disclosed, the vehicle may only be arbitrated for improper repair of the designated area, existing permanent damage or repairs to other areas of the vehicle not disclosed, or for failure to be within the UVMS that was verified by visual inspection.
 - B. Damaged or replaced radiator core supports or rear body panels do not require a structural disclosure under this policy.
 - C. 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.
 - D. Brazed exhaust hangers are not a required disclosure under this policy.
 - E. 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.
 - F. Visual evidence supersedes any/all mechanical or electronic measurements.
 - G. 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 6mm. Upper body measurements (tram gauge) by themselves will not be adequate.
 - H. Buyer must arbitrate any/all structural misrepresentations as outlined in this policy within published timelines (outlined in the main Arbitration Policy Guidelines) from the date of purchase (purchase day counts as Day One).
 - I. 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 time frame allowed for the vehicle to be returned.
 - J. 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 Components	Structural Damage Disclosure Requirement		
	Unibody	Unibody on Conventional Structure	Conventional Structure
1. Frame Rails (Including Front, Center and Rear Rails)		Existing Permanent Damage, Removed, Modified, Repaired or Replaced	
2. Spring Pod, Torque Box or Stabilizer Mount	N/A	Existing Permanent Damage, Removed, Modified, Repaired or Replaced	
3. Cross Members (Except Bell-De)		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. Cool 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
11. Floor/Trunk Panels	Tears 1" or More, Existing Permanent Damage, Removed, Modified, Repaired or Replaced Panels		N/A
12. Quarter* or Cab* Panel	Replacement Only		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

* Only Applies to Components Deemed Structural Per the Vehicle Manufacturer.



Post-Sale Inspection (PSI) Policy 2020

The Post-Sale Inspection (PSI) is a basic mechanical, structural, and flood inspection that is aligned with the National Auto Auction Association's Arbitration Policy. PSI's are based on the objective and subjective expertise of Bel Air Auto Auction inspectors.

The PSI is conducted at a point-in-time as close to the conclusion of the vehicle sale as possible. This assessment of the vehicle is a one-time inspection conducted under the vehicle operating conditions at that time; therefore, it is not feasible to inspect a vehicle in conditions identical to normal day-to-day operating state. The auction has the right to engage with a third-party vendor of their choosing if a more specialized inspection is recommended, in agreement with auction, buyer, and seller.

Section 1: PSI Guarantee

- The Inspected Components of a vehicle that passes PSI inspection criteria will come with a 7-day guarantee of function or condition, based on the PSI product purchased. A list of covered components is provided in Section 4.
- The PSI guarantee is non-transferable and void if the vehicle is resold during the guarantee period.
- Vehicles submitted to arbitration under a PSI must have 100 miles or less accumulated on the odometer between the time the odometer reading is recorded at the auction and the claim date.
- Bel Air Auto Auction performs these inspections on a good faith basis and stands behind these passed components, whether Bel Air Auto Auction provides this guarantee directly or in agreement with the seller. If an inspected component is found defective during the guarantee period, Bel Air Auto reserves the right to remediate valid claims estimated at auction wholesale repair costs.
- In the event of a valid claim for defect related to an Inspected Component that was not identified by the PSI, Bel Air Auto Auction will reimburse expenses incurred by the Buyer (excluding profit, commissions, transportation, and detail charges) on vehicles arbitrated. The amount of reimbursement that qualifies under these guidelines will be at the sole discretion of Bel Air Auto Auction and will be limited to reasonable and documented expenses at auction wholesale repair cost.

Section 2: PSI Eligible Vehicles The following vehicles sold through Bel Air Auto Auction are eligible for PSI:

- Green light vehicles (Ride & Drive)
- Green & Yellow light vehicles (Ride & Drive with Caution)
- Items disclosed by the seller will not be inspected and/or guaranteed under PSI
- Vehicle Purchase Price over \$3,000

It is at the auction's discretion to make the determination if the vehicle is eligible for PSI.

Section 3: PSI Ineligibility

- 3.1: General Ineligibility Criteria The following vehicles sold through Bel Air Auto Auction are ineligible for PSI:
 - Vehicles sold with a price of \$3,000 or under
 - Vehicles sold with purchase price or with an estimated MMR above \$80,000
 - Vehicles sold in the TRA sales lane, Specialty Sale units, Motorcycles or sold under Yellow light (Limited Guarantee)
 - Vehicles sold As-Is or deemed automatic As-Is per NAAA policy and Bel Air Auto Auction policy
 - Kit vehicles
 - Recreational vehicles
 - Watercraft
 - Homemade vehicles

- Vehicles with major modifications (including items in Sections 3.3 and 3.4)
- Vehicles 20 years or older (Antique vehicles)
- Vehicles that have been removed from the Bel Air Auto Auction facility
- Vehicles past purchase windows below:
 - 5 PM for auctions that start prior 9:30 AM
 - 3 hours post auction end for all other auctions
 - 3 hours post acceptance on if bids
 - 24 hours after vehicle purchased on OVE
- OVE off site vehicle purchases not transported to Bel Air Auto Auction facility for processing
- Vehicles with branded titles or defects that are eligible for a branded title, including, but not limited to: flood damage, salvage, rebuilt, lemon-law or trade-assist buybacks, TMU, et al.
- All electric vehicles
- Heavy Duty Trucks & Heavy Equipment categorized in Class A and B with Gross Vehicle Weight Rating (GVWR) of 26,000 pounds or heavier:
 - Box trucks, such as:
 - Delivery drivers
 - Couriers
 - Furniture delivery
 - Trailers:
 - Tractor-trailers
 - Tractor-trailer buses
 - Truck and trailer combinations (Double and triple trailers)
 - Livestock carriers
 - Large buses, including:
 - City buses
 - Tourist buses
 - School buses
 - Segmented buses
 - Trucks:
 - Straight trucks
 - Dump trucks with small trailers
 - Flatbeds
 - Tanker vehicles
 - Current or former armored and/or military / national defense vehicles
- 3.2: Specific Ineligibility List
 - Exotic and/or handmade vehicles (including but not limited to):
 - Acura NSX
 - AMC H1
 - Aston Martin
 - Audi R8
 - Bentley
 - BMW Alpina
 - BMW i8
 - DMC 12
 - Dodge Demon
 - Dodge Viper
 - Ferrari
 - Fisker
 - Ford GT

- Lamborghini
 - Lotus
 - Maserati
 - Maybach
 - McClaren
 - Mercedes G Wagon
 - Mercedes SLR models
 - Mitsubishi Lancer Evo
 - Nissan GT-R
 - Panoz
 - Porsche 911
 - Rolls-Royce
 - Subaru WRX
 - Tesla
- Vehicle makes that average an annual production rate at or below 4,000 vehicles within the three most recently completed production years
- 3.3: Performance Modifications
 - Performance modifications must be announced at auction per NAAA guidelines.
 - Modifications that don't allow a vehicle to meet the emission standards in the county or state in which the PSI is performed will cause a vehicle to fail PSI
 - Computer and electrical modifications
 - Including but not limited to computer chips and tuners
 - These modifications will deem a vehicle ineligible for PSI
 - If found during the inspection all portions modified and or related to the modifications will cause the inspected vehicle to fail the PSI
 - Physical parts modifications
 - Including but not limited to turbos, catalytic converter deletes and/or replacements, and EGR deletes
 - OE/OEM approved modifications will not affect the eligibility of a vehicle for PSI
 - Non-OE/OEM approved modifications are deemed ineligible for PSI
 - If found during the inspection all portions modified and or related to the modifications will cause the inspected vehicle to fail the PSI
- 3.4: Structural
 - Structural damage and/or alterations must be announced at auction per NAAA guidelines.
 - 3.4.1: Structural Damage
 - Definition (per NAAA guidelines): 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.
 - All structural damage must be announced via seller disclosure
 - A vehicle with announced damage is eligible for PSI
 - Announced damage is not a condition for PSI failure
 - Announced damage will not be protected under PSI coverage
 - Unannounced damage discovered during the PSI will cause the inspected vehicle to fail PSI
 - 3.4.2: Structural Alteration

- Definition (per NAAA guidelines): An alteration to the vehicle's structure including a lengthened or shortened frame, a modified suspension, or the installation or removal of after-market accessories.
- All structural alteration must be announced via seller disclosure
- A vehicle with announced alteration is eligible for PSI
- Announced alteration is not a condition for PSI failure
- Announced alteration will not be protected under PSI coverage
- Unannounced alteration discovered during the PSI will cause the inspected vehicle to fail the PSI

Section 4: PSI Inspected Components

- The items checked within the performance of the PSI are:
 - Odometer verification
 - Transmission engages and functions
 - Engine function and operation
 - Drivetrain
 - 4x4 system engagement
 - Differential engagement
 - ABS and brake function
 - Electrical accessories checked for function (For current model year and up to 4 model years old)
 - Emission control equipment present
 - The vehicle will be assessed to meet the emission standards in the state in which the PSI is performed
 - SRS (supplemental restraint system/airbags) check
 - Structure checked
 - Flood inspection
- Advanced Driver Assist Systems (ADAS) are not inspected as part of PSI. Per NAAA guidelines, these systems must be inspected by a qualified 3rd party outside the auction property.
- These systems include but are not limited to the following:
 - Rear camera
 - Rear parking sensors
 - 360 camera systems
 - Blind spot detection
 - Lane departure warning
 - Adaptive cruise control
 - Collision warning
 - Lane keep assist
 - Backup Assist
 - Autonomous driving function

Section 5: Fail, Claim, and Arbitration Conditions

- The PSI purchase is subject to the following:
 - The buyer is responsible for the PSI fee regardless of vehicle pass or fail
 - The sale of the vehicle is NOT contingent upon the availability of the PSI
 - PSI failures are determined by NAAA arbitration policy and follow the \$500 repair or replace threshold for in-lane purchases
- 5.1: Pass and Fail General
 - The auction will make the final determination if the PSI is deemed a pass or fail
 - A failed PSI results when the inspected components of a vehicle meet NAAA Arbitration Policy criteria or state or local government safety regulatory criteria, or

Bel Air Auto Auction policy criteria, which make the vehicle eligible for arbitration. In such event:

- The Buyer has the option to enter the arbitration process and:
 - Complete the transaction on mutually agreeable terms with the seller with the sale completed as “Buyer Bought”
 - Per NAAA Arbitration Policy: “If price adjustment is made and accepted, vehicle becomes “As-Is, No Arbitration” property of the Buyer, and is not subject to any further arbitration. The auction management makes the binding decision upon both the Buyer and Seller on all arbitration matters.”
 - Or, complete the transaction with the vehicle in its current state and under no negotiated terms with the seller
 - To align with NAAA Arbitration Policy, in this case the vehicle becomes “As-Is, No Arbitration” property of the Buyer, and is not subject to any further arbitration.
 - Or, void the transaction, with the sale being unwound as “Buyer Withdrew”
 - A vehicle that fails PSI and results in a “Buyer Withdrew” status will move back into seller inventory. If the seller decides to re-run the vehicle in a future auction, the seller is required to repair the vehicle or make the appropriate announcements.
- 5.2: Pass and Fail In-Lane and Simulcast
 - For in-lane vehicle and Simulcast purchases, a defect on a vehicle for which PSI was purchased and “passed inspection” is eligible for claim resolution if:
 - A defective component or condition is found within the guarantee period, based on the timeframe purchased;
 - A defective component or condition is within the scope of the inspection criteria;
 - A defective component or condition is estimated to cost \$500 or more to repair or replace with the estimate based solely on Bel Air Auto Auction’s wholesale cost.
- 5.3: Pass and Fail OVE
 - For OVE purchases, a defect on a vehicle for which PSI was purchased and “passed inspection” is eligible for claim resolution if:
 - A defective component or condition is within the scope of the inspection criteria;
 - A defective component or condition is estimated to cost \$400 or more to repair or replace for a single item or \$800 or more to repair/replace cumulatively, with the estimate based solely on Bel Air Auto Auction’s wholesale cost.
- 5.4: Claim and Arbitration Conditions
 - For defect states noted above, the defect must be eligible for claim resolution with Bel Air Auto Auction and the auction reserves the right to remediate the claim. Eligible claims are based on arbitral items noted in the NAAA Arbitration Policy.
 - Notwithstanding anything herein to the contrary, the seller remains liable for issues that fall under the required disclosures and timelines as per NAAA policy, and in such a case, arbitration with the seller may occur.
 - Any claim for arbitration under the PSI must be submitted within the guarantee timeframe purchased (defined as the time between the date of completion of the PSI and the date of claim). If a vehicle return is required, the vehicle must be

returned within the stated deadline established by the facilitating location in the same or better condition as when sold.

- Bel Air Auto Auction retains the option to assume ownership of a vehicle at a maximum of 102% of MMR

Section 6: PSI Inspection Methodologies &

- Non-Arbitrable Items Bel Air Auction's PSI inspections are based on our technician's expertise, as well as utilization of expert source information for items such as repair costs; items inherent to a vehicle based on the make, model, year and other factors (e.g., "known conditions"); and, generally accepted practices and standards (e.g., "NAAA Leak classes"). Bel Air Auto Auction draws its conclusions on a good faith basis for each inspection from observation, data and guidance, with the vehicle state as-is at the time the vehicle is inspected.
- 6.1: Specific Non-Material Conditions
 - Certain temporary or non-material conditions will not qualify an inspection for failure, such as:
 - Vehicle scanners returning Yellow (if reason is known)
 - Yellow refers to an indicator light associated with an OBDII scanner that suggests:
 - A previously active code(s) cleared prior to inspection
 - A code(s) not active at the time of inspection
 - Leaks, noise and other items that are generally considered inherent to an inspected vehicle
 - Note that Leak Class 3, per NAAA guidelines, would often require the inspection to fail
- 6.2: Non-Arbitrable Items
 - Inherent conditions based on year, make, model
 - Determination will be made using safercar.gov
 - If the vehicle is purposefully modified after it leaves the auction location, which cause changes to the vehicle's condition from the time of inspection. Such changes will void the PSI guarantee.
 - Options, accessories, or any items not included in standard base equipment on OEM make model trim of the vehicle being inspected
 - Wearable Items
 - Definition (per NAAA guidelines): 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.
 - All Suspension
 - Struts – Coil/ Leaf Spring– Air Suspensions– Etc.
 - All Brake
 - Pads
 - Shoes
 - Rotors
 - Etc.
 - External engine components
 - Belts
 - Hoses
 - Etc.
 - Misc.
 - Ball joints

- Steering rack and pinion
 - Bushings
 - Items with manufacture defined life expectancy
 - Fluids/ lubricants
 - Wipers
 - Tires
 - Subject to change based on related changes to the marketplace
- 6.3: Inspection performance
 - Bel Air Auto Auction performs its inspections based on NAAA and industry best practices, with the following caveats in mind:
 - OEM-installed under body cladding will not be removed from the vehicle;
 - Vehicles may not be driven at speeds high enough to simulate all driving conditions;
 - Vehicles will not be driven for long durations to simulate extended driving conditions.
 - Note that buyers of PSI are encouraged to discuss the results with the PSI facilitating location.

Section 7: Resell Disclaim

- If arbitration results in a sale being unwound based on a failed PSI, the seller shall either repair or disclose the results of the failed PSI when re-running the vehicle at Bel Air Auto Auction. Failure to do so may result in seller being held responsible for reimbursement of any subsequent failed PSI for such vehicle.

Section 8: Rights Reservation

- Bel Air Auto Auction reserves the right to modify, alter, discontinue or terminate this policy at any time for any reason whatsoever, with or without notice. In addition, Bel Air Auto Auction reserves the right to decline to offer this service to any person or entity at its discretion.

CTA – Title Policy

The seller guarantees the title of vehicles that are sold through the Auction. This guarantee of title warrants that title shall be marketable and free and clear of liens and encumbrances, including any brand (such as Salvage) noted on the current or any prior certificate of title unless such encumbrances were announced at the time the vehicle is sold through the Auction and for a period of 29 calendar days from the date of auction sale.

The Auction will not be responsible for any expenses incurred on vehicles for late title.

Seller and Buyer agree that Auction is neither responsible for the odometer mileage on the consigned vehicle nor information contained in the odometer mileage statement and the damage disclosure statement which Seller as Transferor is required to complete and sign and Buyer as Transferee is required to acknowledge.

In regard to defect in title and any matter relating to odometer mileage, odometer statement, or damage disclosure statement: Seller and Buyer agree to indemnify and hold harmless the Auction from any liability, loss, cost, damage or expense, 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.

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

If title problem is due to a clerical or coding error, or incomplete documentation, the Auction shall be given reasonable time after receiving notice to have the error corrected.

Sellers have 29 calendar days to deliver title to Auction for any vehicle sold CTA. There is a charge for selling or returning a CTA vehicle.

Buyers of CTA vehicles should not spend any money on the vehicles or re-sell them until title is received from Auction. The Auction will not be responsible for transportation or other expenses of a returned vehicle.

Just because a vehicle is returned to the Auction it does not mean the Buyer is out of the deal. The vehicle must be received and checked in by Auction management before the Buyer will be out of the deal. Vehicles approved for return by Auction, must be checked in within 48 hours of notification from Buyer. Any vehicle returned must be in the same or better condition as when sold.

The auction will not be responsible for mailed titles that become misdirected or lost. A lost title is not a valid reason for a vehicle return.

The Buyer's Fee and Title Attached Fee are retained by Auction on vehicle returned. Auction reserves the right to charge fee(s) against buyer and/or seller as relates to origin of problem. (Buyer or Seller is responsible)

Mileage Limitation – Buyer cannot put more than 500 miles on vehicle.

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 Auction shall have no duty to produce the certificate of title to the Buyer and shall have no duty to pay Seller.

Seller Responsibilities

- Seller will be held responsible for the accuracy of any representations (verbal or written) made by the Seller or Auctioneer at the time of sale.
- Seller must complete a federal/state odometer disclosure statement.
- Seller representative must announce the following when vehicle is offered at auction block before bidding starts-
 - Vehicles under 16,000 GVW with an inoperable odometer or odometer reading which does not represent actual mileage must be announced TMU (true mileage unknown)
 - Frame damage or structurally defective or altered frame – (See Frame Policy Section)
 - Reconstructed vehicle/Salvage History
 - Flood Unit
 - Police or Taxi Unit
 - Branded and irregular titles
 - Reassigned or Replaced VIN Plate (subject to Auction acceptance)
 - Canadian Unit (must be accompanied by certified paperwork – unless 5 years or older)
 - Active theft and theft history
- Seller is responsible for proper representation of "year and model" of vehicle being sold. Auction is not responsible for omissions, incorrect year or model, improper equipment listings, failure to make announcements on auction block, or verbal commitments between buyer and seller.
- The mileage and year printed on the registration sticker on the vehicle is only a guide, and should not be relied upon. It is the Seller's obligation to correct any errors made by the Auction with respect to the vehicle and/or its announcements.
- It is the discretion of the Seller to announce whether a Truck or SUV is four-wheel drive. All trucks and SUV's are assumed to be two-wheel drive unless otherwise announced.
- Seller must pick up Seller's copy of block ticket from clerk on the auction stand and bring it in, along with the title, to office immediately after unit is sold. Dealer Express Units – titles are turned in to the office prior to sale, and Auction's clerk will deliver seller's copy of block ticket to office.
- Sellers who do not have title present MUST announce CTA – Title Delay while vehicle is on auction block before bidding starts. Improper CTA announcements are subject to arbitration, CTA fee and not announced fee.
- Seller's title must be in proper order with dealer reassignment properly filled in with dealer number, company name, address and proper signature. There must be a signed odometer statement included.

Buyer Responsibilities

All bidders must have a current bidder badge visible at all times which must be presented immediately upon completion of purchasing a vehicle. Anyone bidding without a valid auction card will be subject to removal from the Auction and prosecution.

Buyers will watch lights and listen to announced conditions before placing bids. Once the vehicle is sold, Buyer is responsible for checking block ticket to confirm price and announced conditions are correct before legibly signing and printing their name. The Auction will not arbitrate defects visible from the block or announced conditions.

Buyers will follow auctioneer's cadence on price carefully.

Buyers will inspect vehicles prior to and immediately following the sale. Buyers will verify the Seller's representations and notify the Auction immediately of any discrepancies within the time frame as stated in the Arbitration Policy.

Buyers will verify odometer reading and operation before leaving the Auction.

The mileage and year printed on the registration sticker on the car window is only a guide and should not be relied upon. It is the buyer's responsibility to verify the correct badging, the correct trim level, the actual year and odometer reading before bidding.

Buyer purchasing a vehicle Check Title Attached (CTA) should not spend money on the vehicle or re-sell the vehicle until he/she has received the title from the auction. Sellers have 29 calendar days to produce title.

Buyer is responsible for signing block ticket on auction block and taking buyer's copy into office to settle or list with cashier immediately.

IF Sales

“IF” sales are binding upon acceptance by the seller of the sale price on sale day and “IF” sales are binding upon bidder until 3:00 PM day of sale.

Buyer does not have to be notified for “if” sale to be binding.