

CROSSPOINT^{NW INC.}

DEALER AUCTIONS

This is your sale and we thank you for your support.

*Sincerely ,
-Cross Point NW Management*

PARTICIPATION POLICIES

Dealer's Auction: Only authorized representatives of licensed dealers and dismantlers whose applications have been approved are allowed to participate in the Auction. Participants must be at least 16 years of age. **Retail Buyers are prohibited.**

All vehicles offered for sale are subject to inspection by state and local authorities, FBI, and National Auto Theft Bureau.

Only dealers whose applications have been approved are allowed to participate in the Auction. **Retail Buyers are prohibited.**

Auction Disclaimer: All representations and warranties are made by or on behalf of the seller.

Buyer is solely responsible for verifying all representations and warranties in a timely manner.

Terms of Sale: All of the terms of sale printed on the front and back of the invoice or in this manual are binding on all parties to each transaction at this Auction.

Test Drive: Vehicles may not be test driven prior to running through the sale. A vehicle can only be test driven after it has been purchased through the block.

Outside Sales: The appropriate Sales and Buyer's fees are payable to the Auction on any transaction where contact is made on the Auction premises, whether or not the vehicle is sold on the Auction block. Any dealers buying or selling without auction approval may lose all privileges.

Payment: Any vehicle not paid for by close of business will accrue a \$75 late fee and \$75 for each day thereafter. If the vehicle is not paid for within 10 days, auction shall resale the vehicle and the buyer will be responsible for any and all loss plus accrued storage and additional cost of collection.

Consigned vehicles cancelled or withdrawn on sale day will be charged a full commission based upon market or book value.

Enforcement: The Auction reserves the right to enforce, interpret or waive these rules and policies according to the circumstances of each transaction in order to assure equitable treatment of all parties.

Agency Relationship: The Auction is acting as the agent of the Seller or Buyer, and may upon verbal or written instructions sign documents on their behalf in order to complete a transaction.

Participant's Release and Waiver of Liability / Assumption of Risk and Indemnity Agreement:

Dealer, its representatives, agents and/or guests acknowledge that there are assumed risks when attending an auto auction that may cause serious injury, and in some cases death, attendee voluntarily assumes the risk of danger of injury or death inherent in attendance at the auction.

Possession and Risk of Loss: Until sold, a vehicle is deemed to be in the possession of the Seller and at his risk of loss, even though it is at the Auction. Upon execution of the sales agreement by a Buyer or his agent, the possession and risk of loss transfer from the Seller to the Buyer. The Auction will not be liable for mechanical breakdown of vehicles during or after transport of the vehicle. The Auction will perform due diligence in terms of checking fluids prior to transport, but will not be liable for breakdown outside of Auction negligence.

Note: Auction makes no representations or guarantees as to the description, equipment, condition, availability or validity of factory warranty or odometer reading on any vehicle. All representations are made on behalf of the seller. The auction does not guarantee the year of any foreign car, house trailer, motor home, boat, boat motor, antique, 1 ton truck or larger, motorcycle, ATV, kit cars, tractors or associated trailer. Satisfy yourself before bidding on these units.

PRICING AND OFFERS

Price: Unless announced otherwise, all vehicles are subject to consignor's minimum price or protection. All vehicles will be sold within \$100 of the consignor's price unless marked "FIRM".

"Phone Call" & "IF" sales are binding when the price is accepted by the seller. All sellers must accept by the end of the business day.



SELLER'S DECLARATIONS

Seller's Declarations / Vehicle Condition:

Sellers are solely responsible for the accurate representation and description of each vehicle consigned and offered for sale. Additionally, seller must declare the conditions listed below on all vehicles less than 10 years old (based on calendar year) and selling for more than \$2,500 *except where specified otherwise) and is responsible to make sure that the correct announcements are made. Auctioneer should be immediately notified of any errors or omissions. Vehicles sold without proper announcements are subject to arbitration.

***The minimum price limit for arbitration will be \$2,500 unless otherwise posted or declared**

- **2WD Sport Utility:** A sport utility vehicle which is 2 wheel drive.
- **Flood:** A vehicle that has been immersed in a flood above the floorboards
- **Damaged, Modified or Repaired Frame / Unibody:** Must be declared on all vehicles selling for over the posted arbitration limit, regardless of vehicle age. (See *Structural Damage Policy*) In addition, vehicles that are unsafe to operate due to hidden structural damage (applies to all vehicles, except non-runners, regardless of age and sale price)
- **Fuel Conversion:** A vehicle converted from one fuel use to another
- **Inoperative Odometer:** A vehicle with a broken or inoperative odometer (see *Odometer Disclosure*)
- **Assigned or Missing VIN:** A vehicle with or requiring a Highway Patrol or DMV assigned VIN or with a missing public VIN plate (riveted plate on dash); does not include missing plastic doorjamb stickers. Announcement NOT required for exempt vehicles.

Title & Vehicle History:

Seller must declare the following whether or not the current title is branded (this applies to all sales of vehicles less than 10 years old, including vehicles announced as "Red Light"):

- **Salvage:** A salvage, junked or prior salvage vehicle. (applies to all vehicles regardless of age and sale price)
- **Air Bags:** A vehicle with deployed or missing Air Bags. (NOTE: Proper replacement/repair of a deployed airbag is not an arbitration issue).
- **Canadian Imports:** Canadian vehicles that are 5 years old and less (NOTE: Must have a U.S. title and meet U.S. standards)
- **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)
- **Police or Taxi:** A prior taxi or police car
- **Warranty Return:** A vehicle that has been declared a warranty return (a Lemon Law vehicle)

BUYER REIMBURSEMENT BY SELLER:

In the event a sale is rescinded, the Seller shall be responsible to reimburse the Buyer as follows:

Sale Price: The amount Buyer actually paid for the vehicle including the bid amount and Buyer's Fee.

Buyer's Expenses: Buyer's reasonable expenses as supported by adequate documentation will be reimbursed up to the sale price of the vehicle, not to exceed \$500 as follows:

- **Misrepresentation of Vehicle Description, Equipment, Odometer Reading or Inoperative Odometer:**

There will be no expense reimbursement

- **Structural or Flood Damage, Gross Polluter, Inoperable Odometer or Missing or Deployed**

Airbags: Buyer will be reimbursed for vehicle inspection fee and transport costs only

- **Rescinded or rejected sales for late or defective title, odometer misrepresentation or similar reason:**

Reimbursement will be made for vehicle inspection fees and transport. There will be no reimbursement for lost profit, dealer pack, trade over allowance, floor planning or finance fees, interest, reconditioning, or other indirect expenses The Auction may waive the limitations on reimbursements for reasonable repairs where there is clear evidence that such repairs have increased the value of the vehicle or where sale is rescinded due to defective title or ODO misrepresentation or similar reason. Transport reimbursement will include only reasonable transportation costs actually incurred transporting the vehicle to and from the Buyer's dealership.



MECHANICAL WARRANTIES

The vehicle is subject to arbitration for covered defects only on the day of sale, prior to leaving the Auction.



AS-IS:

AS-IS vehicles are sold without a mechanical warranty of any kind. They should not be assumed to meet smog or safety standards. The following vehicles are sold AS-IS (unless otherwise posted or declared):

- Vehicles selling for less than the posted arbitration limit, (\$2,500) regardless of lane assignment.
- Vehicles that are exempt from the Federal odometer requirements (based on vehicle age or GVWR)
- Vehicles with unknown miles.
- Vehicles declared AS-IS, regardless of lane assignment.
- Vehicles for which an arbitration price adjustment has been made.
- All declared Flood, Fuel Conversion, Warranty Return, Police, Taxi, Modified or Salvage (or similar designation) or inoperable vehicles unless declared otherwise.
- Trailers, boats, motorcycles, RVs or kit cars unless declared otherwise.
- Vehicles sold pursuant to offers made off the block.



White Light: – L/D (Lower Drive & Drive Train)

- Lower motor (Rods and Main Bearings)
- Transmission (4x2, 4x4 and otherwise)
- Differential or CV Joints (FWD) >\$100



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An authorized reseller of AutoCheck Vehicle History Reports



Green Light: Ride & Drive

Mechanical defects must exceed \$500 to qualify for arbitration.

Covered Items: Any defect to the following components is covered by the "Green Light" coverage..

Note: Our intent is to evaluate vehicle condition allowing for "reasonable wear and tear" in making our decisions related to sale arbitration. Exceptions include, but are not limited to, the items listed below are specific limitations for coverage.

• **Engine:** The engine and all related components and systems necessary for normal functioning of the engine.

Note: "Tune up" and normal wear items (as determined by the Auction) will be charged to the buyer. Announcement of "check engine" light will cover the cause of the light regardless of which engine systems are involved (transmission excluded). There will not solely arbitrate for visual defects such as smoke.

• **Transmissions:** The transmission and/or transfer case and 4x4 electric drive motors or modules are included. The linkage, clutch and clutch assembly are required to function well enough to operate the vehicle; there will be no arbitration for wear or slippage on these components.

• **Suspension:** Suspension systems will not be covered unless deemed a safety hazard (at the sole discretion of the Auction)

• **Restraint Systems:** Defects in airbags.

• **Turbos and Superchargers:** Are included.

• **Fluid Leakage:** Major leaks, puddling or excessive dripping from the engine, transmission or transfer case.

• **ABS Brakes:** Defects in ABS brake systems.

• **Smog Equipment:** Smog equipment must be present but is not guaranteed to function.

• **Differentials:** Differentials and axles are included; drive axle wheel bearings are included (non drive axle wheel bearings are excluded).

• **Computers:** Control modules necessary for the normal functioning of covered systems are included.

• **Air Conditioning** on three year old or newer vehicles. Compressor or condenser is included.

• **Power Steering and Racks** are covered.

Component Parts: The year, make and model of component parts are only guaranteed on vehicles two years old or newer.

NOTE: All vehicles sold under the "Green Light" must operate well enough to be test-driven safely.



STRUCTURAL DAMAGE:

Note: Any vehicle purchased with Major Damage History are bought with Frame, Flood & Salvage history.

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

- **Structural Damage** - The vehicle has structural damage and/or repairs and will not be subject to arbitration under this policy.

- **Certified Structural Repairs** - The vehicle has sustained damage to a specifically identified structural component, which has been repaired, and the vehicle has been certified to be within the Used Vehicle Measurement Standard (UVMS). The vehicle, if properly announced, may be arbitrated only for improper repair of the designated area, existing damage or repairs to other areas, or failure to be within the UVMS.

- **Structural Alteration** - The vehicle has an altered frame or unibody as specifically announced. Any vehicle altered with the suspension or frame, lowered or raised, may not be arbitrated for frame damage related to the raising, lowering and etc. **Disclosure should be made for the following alterations:**

- Frame lengthened or shortened

- Suspension altered

- After market accessories installed/removed

- **No Disclosure is required for properly installed or properly removed towing package.**

Undisclosed Structural Damage or Repair - A vehicle may be arbitrated if it has undisclosed existing or repaired damage, which should have been disclosed under this policy, even though the vehicle is within the UVMS.

Seller's Disclosure Not Required - No declaration will be required for existing insignificant damage or repair thereof, including but not limited to:

- Damage due to transport tie-down, improper jacking or lifting or contact with parking abutments and/or road debris, provided that the vehicle is within the UVMS.

- Damage solely to glass or bolt-on components.

Used Vehicle Measurement Standards will be used in arbitration- See UVMS Policy

Measurement of Vehicles - Auction will, at its discretion, have a vehicle measured at a facility of its choice. Prior to measurement a vehicle must first visually indicate a physical condition to warrant the measurement. Purchaser will agree to pay for this measurement if the vehicle is within the UVMS. Seller will be responsible for charges if the vehicle is found to be beyond the UVMS.

No Structural Arbitration: There will be no arbitration for structural damage to a vehicle:

- Sold for less than the posted arbitration limit.

- Sold with salvage or similar branded titles

- Which is inoperative whether pushed, towed or in video sale

- Which is clearly obvious by the appearance of the vehicle

Disclosure Requirement for Unibody, Unibody on Frame, or Conventional Frame: See Damage Table / Policy.

ODOMETER DISCLOSURE:

Seller's Odometer Disclosure: Seller must make an odometer disclosure that is complete and accurate in all respects for each vehicle newer than 10 years old (based on calendar year). The Seller warrants, represents and guarantees that the odometer disclosure information is complete and correct.

Excess: Vehicles declared to have miles in excess of the mechanical limits of the odometer should not be assumed to have any specific mileage and will not be arbitrated for excessive mileage.

Discrepancy: A vehicle known to have an incorrect odometer reading shall be disclosed by checking the "Discrepancy" box **and** writing the last known mileage in the space provided. If the last correct reading was in excess of the mechanical limits, that also should be noted.

Exempt Vehicles: Unless declared otherwise, 10 year old (based on calendar year) and older vehicles are exempt from federal odometer disclosure requirements. Sellers are instructed to enter the odometer reading and check the "Exempt" box, or write "Exempt" beneath the reading on all odometer/title documents. If any other box is checked, it will be assumed a disclosure has been made. Buyers should not rely on the odometer reading on exempt vehicles.

Inoperative Odometer: In Oregon seller must declare an inoperative odometer regardless of other disclosure, unless a vehicle is sold "Exempt". The fact that an odometer is not working is no conclusive evidence that there is an arbitratable discrepancy between the reading and the vehicle's actual mileage. Even if (1) mile turns odometer, it is considered to be working at the time of purchase and therefore not arbitratable. If the Seller declares "actual mileage," he must submit documented proof of such. Inoperable vehicles are assumed to have mileage discrepancy unless declared otherwise.

Dealer recognizes and acknowledges that the auction is not to be deemed to be the seller of any vehicle for any purpose nor is it the transferor required to give the Federal Odometer Mileage Statement in connection with the sale at this auction with the contemplation of the Motor Vehicle Information and Cost savings act of 1972 (Pub.L.92-513), as amended or similar laws The seller is the transferor.



ARBITRATION:

There shall be no arbitration unless:

- The vehicle sold for more than the posted arbitration limit, except for odometer misrepresentation or defective title, and
- The Buyer first delivers the vehicle to the Auction arbitration manager with a completed arbitration form specifically identifying all covered defects; failure to direct all arbitration inquiries to Arbitration Manager or Arbitration Personnel will cause vehicle to be ineligible for arbitration.

Manufacture Defects: Any mechanical defect which the manufacturer or franchised dealership's certified technician deem normal or inherent in a particular vehicle (e.g., '96 & newer Jeep differential noise) shall not be subject to arbitration.

Sale and Buyer Fees: Seller may be charged the Sale Fee and Buyer Fee on a rejected vehicle if the auction determines that there is a willful disregard for the disclosure requirements.

Auction Waiver: If the Seller has misrepresented or hidden the true condition of the vehicle, the Auction may, at its discretion, waive the limitations of these policies. If the vehicle is either unsafe or is unable to be driven for an accurate inspection, the vehicle may be arbitrated.

Manufacturer's Warranty: The availability of a manufacturer's warranty shall not affect a Buyer's right to arbitrate a vehicle. Seller must declare voided factory warranties; undisclosed voided factory warranties may be arbitrated up to 30 days from day of sale.

Seller Notification: The Auction will make every effort to notify Seller when a vehicle is placed in arbitration. Failure of a Seller to receive notification will not affect the validity of the arbitration. Every effort will be made to complete the inspection and notify Seller of any arbitration concerns as soon as possible. Due to the large number of requests, some inspections may not be completed and the Seller may not be notified until the day after the sale.

Buyer Verification: The Buyer must verify the following:

- **Before bidding on a vehicle** - the accuracy of any information in catalogs, handouts, or on windshields or vehicle number cards (such as miles, years, make, model, etc.). Buyer is responsible to listen to all announcements made by Auctioneer and to observe all notices posted on the lane monitors.
- **Before signing the sales invoice** - vehicle description, odometer disclosure, bid price, and announcements. Any discrepancies must be resolved before signing the invoice.
- **Before leaving the Auction on sale day** - vehicle year, make, model, equipment, condition, and odometer reading.
- **Before accruing any charges other than transport** - that the vehicle has no flood or structural damage or repair, concealed collision damage, missing or inoperable airbags, and that odometer is operational. In the event that a vehicle is misrepresented and regardless of fault or cause, the Auction reserves the right to cancel the sale.

Repairs and Resolutions:

Buyer may not rescind the sale if the following apply:

- The cost of the repair does not exceed \$500
- Seller is willing to pay for said repairs.
- The repairs are completed within 7 calendar days of the original sale. (Sale day is day #1)

Sale Day Arbitration: The arbitration period shall end at closing time on the day of sale for:

- A mechanical problem on a vehicle sold with a Ride and Drive.
- Seller's failure to announce a two-wheel drive sport utility vehicle
- An inoperative odometer
- Assigned or missing VIN plate
- Fuel Conversion
- Deployed or missing Air Bags

Seven Day Arbitration: The arbitration period shall end at closing time on the seventh calendar day (Sale Day is the first day) following the sale for the following causes:

- Undisclosed Structural Damage
- Concealed Collision Damage
- Non original engine (on vehicles 3 years old or newer and having less than 50,000 miles)
- Cracked block (Sellers are responsible for vehicle being freeze protected to manufacturer's specifications)
- Missing or altered emission equipment or safety restraints
- Flood Vehicle
- Gray Market Vehicle

Title or Odometer History Reports: Commercial title and odometer reporting services are not considered conclusive evidence of a material defect in either the title or odometer. It is the responsibility of the buyer to provide the Auction with industry-accepted documentation that validates any derogatory claim that may cloud the title or odometer history. In many cases, upon request, the Auction's data-correction service will be able to correct erroneous data displayed on commercial title and odometer reports.

Equipment: The auction does not guarantee warranty books, face plates, car stereos, or remote entry devices.

Note: Any dealer arbitrating a vehicle cannot bid on that vehicle when it is re-run.

Arbitration Disputes: In the case of a disputed diagnosis, the Auction reserves the right to defer to an independent third party, principally the manufacturer's franchise dealer. The Arbitration Manager will rule on the third-party diagnosis as it relates to the Auction's arbitration policy.

The decision of the Arbitration Manager shall be final and all parties agree and consent to the auction's right to interpret and modify these rules and policies without notice or limitation.



TITLE POLICIES

Seller's Title Guarantee: The Seller warrants, represents and guarantees that he has and will convey a certificate of title, properly executed, valid in the state of Buyer's business and clear of all liens and encumbrances (except current year DMV fees in California), and that he will warrant and defend the title against the claims and demands of all persons whatsoever.

• **Applications for duplicate title will not be accepted except as noted:**

○ *Washington Paperless Titles and Lost Title Applications will be accepted and are subject to the following conditions:*

Must be announced

Failure to announce a "lost title application" or "Washington paperless title" may result in the sale being cancelled 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).

Non-Washington dealers may purchase vehicles announced as "WPT" or "LTA;" Buyer will be responsible for cost of obtaining a Washington title and Buyer may not arbitrate the vehicle for late title.

Late Title: The Seller will be assessed late title charges for any title not provided within 3 weeks of the sale date. If a Seller fails to provide title within 31 days, the Auction, at its discretion, may cancel the sale or take the necessary steps to secure title. All expenses of securing a title will be charged to the Seller (Sale Day is day #1).

Late Title - Buyer's Right of Rescission: After 28 days, unless the Auction has already received the title, the Buyer may give notice to the Auction of his intent to rescind the sale. After the Auction has received Buyer's notice of intent to rescind, the Seller shall have three business days to present title to the Auction. In case of rescission, the Seller will be charged for the Buyer's reasonable expenses up to the sale price of the vehicle, not to exceed \$300.

Auction Title Guarantee: The auction will provide buyer with valid title free and clear of all liens and encumbrances (except DMV fees in California) except as declared at the time of sale or otherwise known by the buyer. The guarantee only covers invalidities in the title existing at the time of sale and does not cover more technical defects which can be removed by execution and delivery to the buyer of legally required papers without the necessity of monetary payment.

Branded Title: Buyer must notify the auction within 30 days from the date the buyer receives the title to report undeclared brands. Titles are not guaranteed free of brands after 30 days from the date title has been received. Third party reporting services are not solely grounds for termination. All brands must be confirmed by DMV.

Limit and Terms of Liability: The Auction's liability under the Auction Title Guarantee shall extend for a period of one year from date of purchase and never exceed the sale price paid by Buyer, and that amount shall be reduced by 2% on the first of each month following the sale date. Any claim for expenses, lost profits, or other amounts in excess of those provided for in this guarantee or

arising beyond the limits of this guarantee shall be made by Buyer directly against Seller. All parties that register with the Auction and or use the Auction for any purpose, hereby agree to indemnify, defend and hold harmless the Auction and all Auction employees from all claims, liabilities and expenses (including, without limitation, attorney fees and expenses) unless such claims resulted from the gross negligence or willful misconduct of the Auction.

Clerical Error: If the 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. Rejection of a purchased vehicle under these circumstances will be at the sole discretion of the auction.

Procedure: Whenever any claim is made by any person against the title of a vehicle, whether by suit or otherwise, the Buyer shall immediately after becoming aware of said claim notify the Auction, giving full particulars of the claim, and shall cooperate fully in defending any legal action and in taking other steps to minimize possible loss. The Buyer shall not surrender possession of the vehicle, except as required by legal process, to any claimant, nor shall Buyer voluntarily pay or acknowledge the validity of any claim, without the prior approval of the Auction. Time is of the essence. Any failure on the part of the Buyer to notify the Auction of any claim in a timely manner or failure of the Buyer to cooperate in defending any such claim shall relieve the Auction of liability under this guarantee.

PAYMENT:

Payment Options: Buyer must pay for each vehicle on the day of sale by means pre-approved by the Auction. Payment must include bid price, Buyer's Fee, and all other applicable fees and charges. All outstanding invoices on account with the auction must be paid prior to buyer receiving any vehicle titles.

• **Cash Only:** Payment must be made by Cashier's Check payable to the Auction, or cash. There will be a 2% surcharge for cash.

• **Company Check:** Check must be drawn on the buying dealer's business account. One check should be submitted for each vehicle. The Auction will deposit your check when the title is received by Auction.

Returned Items Policy: A returned item charge of \$250.00 will be assessed on all returned drafts and checks. All returned items must be paid within 24 hours by cashier's check or cash, or:

• Notice will be sent to the Bonding Company & DMV;

• Buyer privileges will be restricted; and

• Interest will be accrued at the highest legal rate from the date of return. Buyer privileges of repeated abusers of the draft/check policy will be revoked.

Storage Fees: Vehicles left on the Auction premises for more than five days after purchase or after cancellation of consignment shall be subject to storage at the Auction's normal daily storage rate, may be transported to owner's place of business at the owner's expense, or sold at lien sale to offset fee's accrued. Owner waives their right to public sale.