

# Terms and Conditions

## REGISTRATION

Dealers Auction Xchange will require dealers to complete all registration information and any additional information if requested prior to buying, selling, or consigning units. All dealers must obtain bidder badge before entering the sale area to conduct business. Bidders must not use a bidder badge that is not their own. Dealers Auction Xchange reserves the right to access credit reporting agencies to obtain and verify credit history.

## COMPLIANCE WITH LAW

This is a "Dealer Only" Auto Auction operated by Dealers Auction Xchange, All properly state licensed Auto Dealers must have a completed Dealers Auction Xchange approved registration forms on file. Dealers Auction Xchange reserves the right to disapprove of any application without cause or recourse. All agents must have written authorization of the owner on file with Dealers Auction Xchange. The owner is defined as the person(s) whose name(s) appears on the Surety Bond on file with DMV and if a corporation is a registered officer or director on file with the Secretary of State. Registered Dealers are responsible for all actions of their agents.

## LIABILITY

Dealers Auction Xchange assumes no liability for physical damage to a vehicle, theft of content or the vehicle, or any general liability while vehicles are being brought, sold or on consignment. All persons who are Buyers, Sellers, or Consigners, their agents, and guests, agree to indemnify and hold harmless Dealers Auction Xchange., and any of its agents for any liability or claim.

## WARRANTIES

Dealers Auction Xchange, auctioneers, and clerks do not act as agents for, or represent the buyer or seller, but merely provide a medium for bringing together the buyer and seller for a sales transaction. ALL RESPONSIBILITY AND GUARANTEES LIE BETWEEN THE BUYER AND SELLER. Each auction is recorded on audio and video tape and will be utilized to settle all disputes regarding statements made concerning the vehicles offered for sale.

## PAYMENTS

Payment is required the day of purchase Payment may be in the form of draft, cash, floor plan, or company check. Occasionally there will be additional fees added to the Dealership account. E.g., Post Sale Inspection Fees, Fuel Charges, Delivery Fees. These fees are to be paid immediately upon receiving an invoice. Failure to pay for vehicles or statements on time will be reported to Auction insurance for non-payment and will result in the disruption of your privileges at Dealers Auction Xchange and other Auctions. A late payment fee of \$100 will be added to each vehicle that is not paid for within 7 days from the day purchased. Any overpayment received will be utilized to pay unpaid balances on accounts. If the customer's account is paid in full, and the customer wants a reimbursement check issued there will be a 10% processing fee assessed. No vehicle will be released unless the account is paid in full.

## CHECK / DRAFT LIABILITY

Any person giving a "hot" or "insufficient Funds" check or issuing an order to "Stop Payment" of a check WILL BE PROSECUTED to the full extent of the law. Transfer of title of any vehicle will not be completed until payment has been received. A payment reprocessing fee of \$200.00 will be charged to the buyer for each "insufficient funds", "stop payment" or "returned draft". Buyer will be suspended from future purchases until that account has been cleared with Dealers Auction Xchange, Buyer will be suspending from using "CHECKS" or "DRAFT" and will be considered cash or floorplan only for a period of 60 days. At the end of the 60-day period the buyer may contact the Auction to re-evaluate their check or draft privileges. "Call for Cash" is not an acceptable method of payment. Drafts are expected to be paid within the time limit of 3 Day Sight under banking regulations. Any person that attains a vehicle with an unpaid draft is subject to criminal prosecution within the laws of the State of Texas.

## SALES LISTING

Every effort is made to ensure the correctness of the listing of vehicles being offered for sale. Dealers Auction Xchange, auctioneers, and/or announcers are not responsible for errors or omissions, and assume no liability, on their behalf, or in behalf of the selling dealership as to any statement, either verbal or written, regarding the vehicles sold. The selling dealership guarantees the vehicles listed only as to the year, make, model and mileage as indicated. All announcements made from the auction block prior to and during the sale of a vehicle will hold precedence over anything printed on the sale listing provided or printed on the windshields of the vehicles selling. All vehicles are sold with no warranty expressed or implied.

## ANNOUNCEMENTS

Reconditioned titles rebuilt salvage titles, previous Insurance titles, flood damaged vehicles, Airbags Deployed, theft recovery, government vehicles/titles, gray market vehicles, if odometer is only in kilometers, lemon buy back, reassigned VIN's, and diesel conversion, vehicles will be announced and sold "AS IS" unless specified otherwise by the selling dealership. Known Structural damage will be announced, although vehicles selling for less than \$2500 or that are exempt from an odometer statement will sell "AS IS" with no announcement necessary. Hybrid batteries must be announced if faulty, unless sold "AS IS. STRUCTURAL DAMAGE (FRAME/UNIBODY) vehicles with prior Auction announcements on Auto Check can be arbitrated even if announcements show up within 7 days of sale. " SLOW TITLE," if announced gives the seller 90 days to furnish negotiable title. SEE ARBITRATION POLICY GUIDELINE APPENDIX I FOR ELLIGIBLE ITEMS AND DEADLINES FOR ARBITRATION.

## MILEAGE

DEALERS AUCTION XCHANGE is not responsible for odometer readings. An announcement will be made on behalf of the selling dealership for each vehicle selling as follows:

ACTUAL – Vehicles, as of January 1, is nine (9) years or newer and odometer is in working condition and mileage is actual

EXEMPT- Vehicles, as of January 1, twenty (20) years old or older are exempt from an odometer statement without any guarantee of specific mileage except that of working order.

NOT ACTUAL - with an odometer that is not or has not continually been in operation will be announced "Not Actual" with no guarantee of mileage, actual or otherwise or vehicles with digital odometers where the mileage is not displayed will be announced as odometer inoperable "Not actual".

BUYER has until close of business Auction Day to arbitrate for unannounced inoperable odometer. Buyers may not arbitrate a vehicle for mileage discrepancy based on AutoCheck Vehicle Report or Carfax discrepancy, if it is based on a clerical error and is not substantiated by title discrepancy.

#### WILL CALL

DEALERS AUCTION XCHANGE reserves the right to sell any vehicle within \$100 of the minimum. Seller has until end of business the following business day following the auction to accept offer or vehicle will be considered a no sale. As a courtesy, DAX will make every effort to contact our buyers on the status of their will calls. It is the buyer's responsibility to contact the auction for the status of their will calls. Buyers cannot refuse a car sold on call or turn down cars due to not being notified by auction. Arbitration period for vehicles sold on a call extended to 12PM the following business day proceeding the sale of the vehicle unless a PSI is purchased.

#### TITLES

Sellers are required to provide negotiable title certificates and related documents to the auction within 30 days from the date of sale, regardless of the method of payment. Seller agrees to pay a fee of \$50 per month for titles not provided within 30 days of the date of sale, excluding vehicles announced slow title. Slow title seller has 90 days to furnish a title (failure to provide title applies after 90 days) Clay Cooley will be considered a slow title seller regardless of announcements made at the block or on screen.

##### **Failure to Provide Title**

If the seller fails to provide a negotiable title certificate and related documents within the allowable time, the buyer will be entitled to return the vehicle. Vehicle must be in same or better condition as when it was purchased. If the vehicle exceeds 300 miles from when purchased the vehicle will not be considered for arbitration. The buyer is required to notify Dealers Auction Xchange in written format via fax or email two business days prior to returning the vehicle. Seller has till end of 2nd business day following receipt of intent to provide title. If title comes in before that time, then the vehicle cannot be returned. If the title comes in before the vehicle is returned, then it cannot be arbitrated for late title. If the buyer has not returned the vehicle within 2 business days of filing the intent, then a new intent to return form must be filled out and the buyer must wait 2 business days following the new intent for the vehicle to be arbitrable. If a vehicle is returned under this section, the buyer will be entitled to a refund of any purchase price paid, buyer's premium paid, and reasonable transportation costs (to and from buyer's location) resulting from the return of the vehicle. The buyer's location is defined as the buying dealer's physical address listed in the auctions system. This shall be buyer's sole remedy for failure of the seller to timely deliver a title certificate. **BUYER AGREES THAT NEITHER SELLING DEALER OR DEALERS AUCTION XCHANGE WILL BE RESPONSIBLE FOR ANY REPAIRS, IMPROVEMENTS, MAINTENANCE, STORAGE FEES, LOSS OF PROFITS OR INCOME, OR ATTORNEY FEES INCURRED BY BUYER PRIOR TO DELIVERY OF THE TITLE CERTIFICATE TO A VEHICLE PURCHASED AT DEALERS AUCTION XCHANGE. BOTH BUYER AND SELLER AGREE TO HOLD DEALERS AUCTION XCHANGE HARMLESS FROM ANY LIABILITY, CLAIMS, SUITS, CAUSES OF ACTION OR DAMAGES CLAIMED AS A RESULT OF THE FAILURE OF A SELLER TO TIMELY DELIVER A TITLE CERTIFICATE, AND TO INDEMNIFY DEALERS AUCTION XCHANGE FROM LIABILITY, INCLUDING THE COSTS OF DEFENSE AND ATTORNEYS' FEES, IF ANY SUCH CLAIM IS PURSUED.**

#### REMOVAL OF VEHICLE

DO NOT REMOVE KEYS TO ANY VEHICLE LEFT ON AUCTION PREMISES!! Removing keys will subject dealer to a \$25.00 Penalty plus locksmith charges and/or wrecker services. All vehicles must have a gate pass to exit auction premises. Any vehicle not picked up within 3 business days will be subject to a \$25.00 per day administrative fee. Any vehicle not picked up within 30 days will be considered an abandoned vehicle and will be towed. Dealers Auction Xchange will not be liable to the seller or buyer for any damage or loss caused by fire, theft, collision, vandalism, and all acts of nature to any vehicle that is left on premises

#### BIDDING DISPUTES

The highest bidder will be the buyer unless a dispute arises between two or more bidders, upon which the auctioneer, at his own discretion, may open the bidding again between the parties in dispute only. If this occurs, it is the responsibility of the disputing party to advance the bid with the auctioneer presiding. If there is no advance in the bidding the vehicle will be sold to the bidder whom the auctioneer recognized with the last bid. The selling dealership reserves the right to decline the last bid and pass the vehicle from the auction as a "no sale". Dealers Auction Xchange or its auctioneers may decline any bid made by parties who have DEFAULTED in former purchases, or by any person who is deemed a non-responsible bidder.

#### CAUTION

All attending the sale do so at their own risk. Buyers/drivers and guests are cautioned to be careful while on the premises and particularly while the vehicles are being moved from their assigned parking area to the auction area. Neither Dealers Auction Xchange nor any other person connected with this sale assumes any liability, legal or otherwise, for the safety of the building or premises or for the perils involved with the operation of any vehicle.

#### BIDDING PROCEDURE

Minimum acceptable advances in bidding are \$50.00 to \$1000.00 increments and \$50.00 minimum advance thereafter.

#### RIGHT OF RETURN

No vehicle may be returned to a selling dealership for any reason unless Dealers Auction Xchange is contacted and approves the return of the vehicle in question. The buyers subject to all cost and fees associated with the return of a vehicle to the selling dealership.

#### RESALE

Any buyer failing to comply with the above stated conditions causing a vehicle to become the subject of resale shall be obligated to pay any costs associated with the resale of such vehicle, and an additional \$150 arbitration fee, in the event of a resale, the buyer will be obligated to any negative balance or loss that may occur, including arbitration fee. Dealers Auction Xchange reserves the right to amend and/or update this information and policy as deemed necessary; Dealers Auction Xchange reserves the right to refuse service to anyone. Anyone caught on auction premises, after banning, will be considered trespassing. Dealers Auction Xchange RESERVES THE RIGHT, TO VOID ANY TRANSACTION. Sellers reserve the

right to bid on their own vehicles, at any time. Dealers Auction Xchange, and all auctioneers are licensed and covered by a recovery fund administered and regulated by the Texas Department of Licensing & Regulation. Any comments or complaints may be directed to the Texas Department of Licensing & Regulation. Any comments or complaints may be directed to the Texas Department of Licensing & Regulations at [www.tdlr.texas.gov](http://www.tdlr.texas.gov)

#### GUEST POLICY

FOR SAFETY REASONS, NO CHILDREN UNDER 16 YEARS OF AGE ALLOWED ON AUCTION PREMISES. Only one badge will be issued per dealer or registered agent. A guest may be a family member, an employee of the dealership or assistant to the dealer. A guest may not be here as a potential retail customer. Each dealer or authorized representative is personally responsible for any guest registered. There will be a \$50.00 charge for each guest. No guest is authorized to bid on any vehicle or conduct any business on the auction property. Guests are to refrain from being in the bidding area after sale has begun.

## ARBITRATION GUIDELINES

#### ARBITRATION FEE

Seller must pay a \$150 fee for any vehicle that is arbitrated if deal does not stay together. If the buyer or seller requests the vehicle sent to a 3<sup>rd</sup> party mechanic, the party against whom the arbitration decision is made will be responsible for paying all shop fees at a \$10 or 10% markup whichever is greater including the \$150 arbitration fee.

#### HYBRID SYSTEMS

Hybrid vehicles will follow the same arbitration guidelines as fueled vehicles using the light system. The only exception is for battery backs that have a cost of \$800 or greater and must be purchased on a Green Light to be covered.

LIGHT SYSTEM (Any single defect of \$800 or more is eligible for arbitration unless sold AS IS. This will be dependent on selling light)

**Green: (Ride and Drive)** Seller guarantees engine, transmission, differentials, drive train, frame and Hybrid Battery Pack Only.

**Yellow:** Seller guarantees transmission if sold \$5,000 or greater and frame if sold over \$2,500 or greater. Engine will not be covered on a yellow light.

**RED:** Any vehicle offered for sale and marked or announced "AS IS" cannot be turned down for any reason unless listed as an arbitrable item in the ARBITRATION POLICY GUIDELINE APPENDIX I. This includes but not limited to structural damage, transmission, and odometer discrepancies. Any vehicle pushed through the lane or sold in video sale will automatically be sold "AS IS". There are no gray areas

#### AS IS STATEMENT

Units with the following classifications will be listed and sold AS IS unless represented differently by the Seller

- The unit has an odometer reading of 125,000 miles or greater.
- The unit is greater than 10yrs old
- The vehicle sale price is less than \$2500
- The seller designates the units AS IS

#### TEST DRIVE

Vehicles must be test driven and arbitrated prior to the close of business day of the Auction unless on Call (IF BID), If the vehicle is not arbitrated in the time allowed, the buyer will forfeit any right to return the vehicle. This does not apply to units that are placed on a PSI. No test drives will be allowed prior to vehicle being sold.

#### NON-ARBITRATION ISSUES (Included but not limited to)

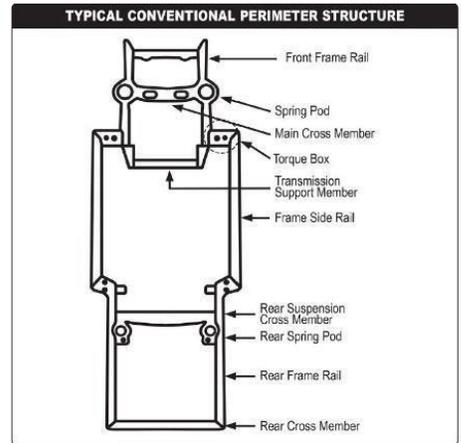
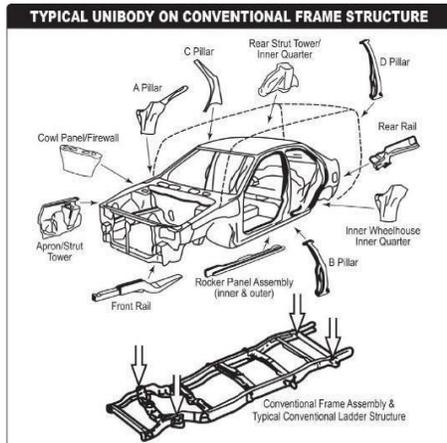
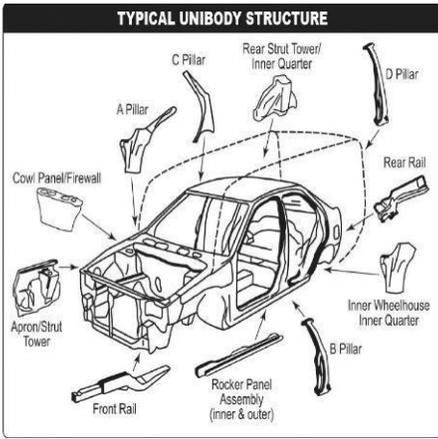
- CV Joints
- Lights on dash including but not limited to (SRS, Airbag, ABS, Traction Control)
- Suspension (Including Air ride)
- Emissions System Issues
- Motor Mounts
- Convertible Tops, Sunroofs
- Radio
- Electrical Components
- A/C System
- Manual Clutches
- Structural caused by Altered Suspension when announced as Altered.
- Visible Structural including Structural caused by Rust.
- Radiators
- Wheel Bearings
- ABS issues

**Structural Damage**

The buyer will have 7 days from purchase date to arbitrate for structural damage. Any arbitration for structural damage will follow the NAAA guidelines.

Structural Components	Structural Damage Disclosure Requirement		
	Unibody	Unibody on Conventional Frame	Conventional Frame
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 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
11. Floor/Trunk Panels	Tears 1" or More, Existing 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.*



# Arbitration Policy Guideline

## Appendix I. Dealers Auction Xchange Policy Guidelines

Rockwall Auto Auction LLC Seller Disclosures/Announcement Requirements	Disclosure/Announcements Required			Arbitration Time Periods		
	Green Light Only	Yellow Light only	Red Light	Green Light Only	Yellow Light Only	Red Light Only
	Ride and Drive	Limited Guarantee	AS-IS	"Ride and Drive"	Limited Guarantee	AS-IS
Major Components						
Engine Problem*	YES	NO	NO	A	N/A	N/A
Cracked or Repaired Block*	YES	NO	NO	A	N/A	N/A
Transmission Problem*	YES	YES	NO	A	A	N/A
4X4 System Inoperable*	YES	YES	NO	A	A	N/A
ABS Problem*	NO	NO	NO	N/A	N/A	N/A
Emissions Control Equipment If Missing Only*	YES	YES	NO	A	A	N/A
Air Conditioning System*	NO	NO	NO	N/A	N/A	N/A
SRS System Missing or Deployed*	YES	NO	NO	A	N/A	N/A
SRS Light On*	NO	NO	NO	N/A	N/A	N/A
Hybrid or Electric Vehicle Battery Problems and/or Missing or Inoperable Battery Charger	YES	NO	NO	A	N/A	N/A
Vehicle History Issues						
Structural Damage/Certified Structural Repair or Replacement/Structural Alteration	YES	YES	NO	C	C	N/A
Not Actual Miles/Inoperable Odometer**	YES	YES	NO	A	A	N/A
Total Loss and/or Salvage Retention (By Insurance Records) **	YES	YES	YES	C	C	C
Theft Recovery/Stolen Vehicles (Including History) **	YES	YES	NO	C	C	N/A
Bonded, Insurance and/or salvage Titles (Including History) **	YES	YES	YES	C	C	C
Flood damage (By Auction inspection)	YES	YES	NO	B	B	N/A
Lemon Law/Manufacturer Buy Back**	YES	YES	YES	C	C	C
State-Issued VIN Plates (Including Kit Vehicles)	YES	YES	NO	B	B	N/A
All Taxes and Livery Requiring Local and State Licenses and Law Enforcement Vehicles	YES	NO	NO	C	N/A	N/A
Previous Canadian Vehicles	YES	YES	YES	C	C	C
Gray Market Vehicles**	YES	YES	YES	C	C	C
Vehicles Being Sold with No Title (Bill of Sale Only)	YES	YES	YES	C	C	C
Voided Factory Warranty	NO	NO	NO	N/A	N/A	N/A
Fuel Conversion	YES	YES	NO	A	A	N/A
Non-Original Engine (Excludes Items Replaced Under Manufacturer's Warranty) Current Model year and up to 4 Model Years Old	YES	NO	NO	A	N/A	N/A
Logo and Decal Misrepresentation	YES	YES	NO	A	A	N/A
Biohazard Vehicles as Required by Law	YES	YES	YES	A	A	A
Flood Damage History (Discovered by DMV and/or Insurance Company Records)	YES	YES	YES	30 DAYS	30 DAYS	30 DAYS
Other Issues						
Vehicle Accessories Electrical Problems* (Current Model Year and Up to 4 Model Years Old)	NO	NO	NO	N/A	N/A	N/A
Paint Work (3 Panels or More) on Current Model Year and Newer (Excludes Bumpers)	NO	NO	NO	N/A	N/A	N/A
Vehicles Not Equipped with Air Conditioning (Excludes Vehicles 10 Model Years Old or Older)	NO	NO	NO	N/A	N/A	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 (Required By Law)	YES	NO	NO	A	N/A	N/A
Pending State and Local DMV Fees or Taxes Over \$100 Due On Vehicle (If Required By Law)	NO	NO	NO	N/A	N/A	N/A
Any Disclosure Required By Law	YES	YES	NO	7 Days After Receipt of Title	7 Days After Receipt of Title	N/A
Time Period vs. Sale Channel Breakdown						
*A* Sale Day Only						
*B* 2 Business Days						
*C* 7 Calendar Days Only						
* Must Disclose Defects That be Singularly \$500 or More to Repair						
** These Transactions May be Subject to Arbitration Regardless of The Stated Time Limit						

# POST SALE INSPECTION

PSI's may be purchased from the auction on the day of sale only. If the vehicle is on an IF bid the day of sale will be considered the day that the buyer and seller have come to agreement and the vehicle is sold. The auction will inspect the vehicle for all unannounced arbitrable conditions only. As a courtesy, DAX will make every effort to contact our buyers on the status of their post-sale inspections. It is the buyer's responsibility to contact the auction for the status of their inspections.

- A PSI can be purchased to cover the vehicle for either 1 day or 7 days from the day of sale (sale day is day one)
- If the vehicle develops or the buyer finds an arbitrable condition within the duration of the PSI and notifies the Auction of the defect before expiration of the PSI, the auction will upon verification, at its option, repair or repurchase the vehicle. The vehicle must be on Auction property before end of business by the final day of the PSI term.
- Auction will not offer a PSI on an AS IS vehicle or any vehicle that sales for less than \$2500 unless on a green light.
- Any PSI purchased on Exotic vehicles may require the auction to send out to a 3<sup>rd</sup> party for inspection.
- Any vehicle purchased after a failed PSI becomes AS IS with no arbitration.

For more information on purchasing a PSI please see front office

## Dealers Auction Xchange

By signing I agree I have read and accepted the terms and conditions outlined on the pages above

Owner/Officer Sign Here	Dealership Name	Dealer License #	Date:
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