

**Dealers Auto Auction of OKC**  
**1028 S. Portland**  
**405/ 947-2886**  
**405/ 943-8370 (fax)**

**Consignment Sale Thursdays – 8:30am**  
**Closed GM Sale Tuesday Bi-Weekly – 10am**

Gary D. Smith	President/Owner
Bruce Beam	General Manager
Jon Reininger	Assistant GM
Mike Egdahl	Fleet/Lease Manager
Cathy Hoeksema	Office Supervisor
Charles Hilton	Operations Manager
Dennis Reeves	Sales Manager
Brady Shuler	Controller
Nicki Beam	Assistant Controller
Rick Duvall	Systems Manager
Charles Foster	Body Shop Manager
Mike Ireland	Service Supervisor

**Administrative Office Hours**

Monday, Tuesday & Friday: 8:30a– 5:30pm  
Wednesday: 8:30am – 7:00pm  
Thursday: 7:30am – 6:00pm

**Security Gate Hours**

24 Hours a day w/ valid vehicle release.  
Drop-off 24 Hours a day

**Business Policies**

- Dealers Auto Auction of Oklahoma City, Inc. (DAA) conducts business **only** with **licensed used car dealers**.
- All dealers must be registered with DAA prior to conducting transactions with DAA.
- Any registration information (ie. Ownership, authorized buyers, bank, etc.) must be recorded with DAA **via Auction Access and DAA Forms**.
- DAA reserves the right to refuse anyone the use of its services.
- The consignor/buyer, as the case may be, bears all risk of loss or damage from fire, theft, or from any cause whatsoever. Under **no** circumstances shall DAA have any **liability** for such loss or damage.
- Buyers and sellers agree to indemnify and hold harmless DAA from any claim made against it or arising from transactions at this auction
- Should a dealership owner or representative (buyer, driver, detailer, etc.) cause any damage to any vehicle on auction premises, the dealership is liable for all damage and associated repair costs. Failure to honor this responsibility will result in loss of auction privileges and possible civil action.
- Should a dealership owner or representative be responsible for the damage to another customer's

vehicle, the auction will perform the repairs and bill the responsible dealer at standard auction rates (lower than standard “street”/ retail rates) to insure quality repairs for the vehicle owner. Any other arrangement would require the approval of both the responsible dealer and vehicle owner.

- Should any auction employee cause damage to a customer’s vehicle, the auction or its insurance company will be responsible for **repairs** to that vehicle. Under no circumstances will the auction purchase the vehicle or be responsible for any loss in value (whether real or “assumed”) of the vehicle. Auction and its insurance company will not be responsible for damage **not** caused **directly** by one of its employees (wear and tear and mechanical conditions included.)
- Should the auction be responsible for damages to any vehicle, liability is limited to the auction repairing the vehicle to the customer’s satisfaction **or** cutting a check to the vehicle owner for estimated repairs **calculated at auction cost** (not retail repair value).
- DAA reserves the rights to hold any and all vehicles within its possession from any and all buyers or sellers in which to satisfy any and all debts or claims which DAA may have upon said dealer or buyer.
- DAA retains the rights to sell any and all vehicles held within its possession and may apply said proceeds from sale to satisfy any and all debts or claims which it may have against buyers or sellers.
- All sales are subject to final approval through auction management.
- Auction reserves the right to access credit reporting agencies to obtain and verify credit history.
- Registered dealers and debtors hereby agree that Dealers Auto Auction of OKC is granted a purchase money security interest (PMSI) pursuant to 12A Okla. Stat., Section 9-32 and 12 A Okla. Stat., Section 9-107, in any and all motor vehicles and/or collateral tendered to the dealer or debtor from Dealers Auto Auction of OKC.
- Retail customers and/or guests (including drivers, mechanics, etc.) are prohibited on sale days. Auction Management reserves the right to issue passes to immediate family **or** employees with

paperwork pending to obtain an auction card. Customers, mechanics, or anyone else needing to accompany a dealer/ auction cardholder on non sale days may do so, with the full understanding that the dealer/ cardholder is present and is 100% responsible for their actions and any damage caused!

- Auction ID cards must always be used to enter the Auction and to sign for purchases. Attempted use of Auction ID by anyone other than the registered cardholder will result in loss of Auction Dealer’s privilege.
- Auction reserves the right to search and inspect any packages and/ or vehicles entering or leaving auction premises.
- All vehicles must have a valid, approved gate release before being removed from DAA premises.
- On sale days, buyers **must** remain in the arbitration department with their vehicle until a member of the arbitration department renders a decision. **Do not drop off the vehicle and leave.** It is the buyer’s responsibility to verify the arbitration department’s final decision.
- It is the policy of the Auction that either party may request the auction to send a vehicle out to a franchised dealership to obtain a 3<sup>rd</sup> party diagnosis. Should either party request this action, any Auction decision will be placed “on hold” and the other party (buyer or seller) notified on sale day. The cost of this 3<sup>rd</sup> party diagnosis will be borne by the “losing” party (seller if a problem is found, buyer if no problem found). Please remember, the other party has the right to invoke this rule **even if the Auction has given one party their decision already!** That decision is put on hold and the 3<sup>rd</sup> party decision **IS FINAL!**
- Any violation of Auction policies or failure to honor the decision of Auction management may result in loss of Auction privileges.
- After a vehicle is consigned, it must be offered for sale on the block. Absolutely no deal before or after a vehicle crosses the block, unless cleared by auction management.
- The Auction reserves the right to bill buyers and sellers for fees on any transaction that originates on Auction property, regardless of whether the actual sale is consummated through the Auction’s system.

- All IF sales will be binding on the **buyer**, provided that the seller accepts the bid prior to 4pm Sale Day. Buyers will be notified by close of business the following day (Friday).
- Auction is not a party to the contract between the dealer and the transporter.
- All vehicles within \$100.00 of stated price (**low/ minimum/ reserve given by seller**) will be sold.
- On all vehicles, the Buyer has seven (7) calendar days to remove unit from our lot. After seven (7) calendar days, a \$5.00 storage fee may be charged per day, per vehicle. Vehicles left in the front parking areas may be towed after five (5) days. All charges will be billed to the vehicle owner.
- Any vehicle abandoned on Auction premises will be disposed of after 90 days.

## Arbitration

### A. General Information

- DAA/OKC has adopted the NAAA Arbitration Policies (with minor modifications). A copy of the modified policy follows this document. Any and all exceptions and additions are also noted below.
- While DAA strives to maintain consistency in enforcement of these policies, a seller may have a set of arbitration rules/ policies that supercedes those of the Auction. In this instance, the seller's rules will be made available to Buyers in the Auction office.
- Please Note – many consignor specific rules contain time constraints different than those listed above.
- Any vehicle returned for arbitration for any reason must be returned in the same or better condition (mechanically and cosmetically) than when purchased. This rule applies to any unit being arbitrated after leaving the auction and regardless of miles driven.
- No agreement between buyer and seller is binding on the auction unless prior approval from Auction management is obtained in writing.
- The sale price is the number announced by the auctioneer at the close of bidding. Buy fee is the amount published in written literature. In case of errors, the proper amount will be charged to accurately reflect the transaction. Where video and/ or tape exists, it will be used to verify the figures.
- All vehicles 10 years and older are sold **mileage exempt**, as per

Oklahoma State and Federal laws. Exempt means **no** declaration regarding mileage or odometer status. No arbitration allowed on either issue. Sellers should be aware that there may be City, State and/ or Federal laws that govern the transaction. However, all recourse available to the buyer will be **outside** of auction rules and/ or authority.

- Any vehicle with odometer changes must be announced even if the vehicle is sold “exempt”. Auction arbitration on this issue is very limited and requires documentary proof of the changes.
- Any vehicle sold via the Auction's Inoperative/ Picture Sale, those units towed or pushed across the auction block, and those sold for \$1000 or less, are sold **as-is, where-is, no arbitration, no exceptions**. A branded (salvage, rebuilt, or not actual mileage) or late title that is not announced shall be the only grounds for arbitration. Again, satisfy yourself prior to bidding.
- Please Note – vehicles with “cluster” issues may be able for arbitration if the replacement of the cluster exceeds the dollar threshold for the mechanical arbitration. However, if that odometer still rolls properly, the vehicle will not have to be disclosed as **Not Actual Mileage**.
- Identification number problems can **only** be arbitrated on **sale day**.
- Under **no** circumstances does DAA inherit a vehicle. Every effort will be made to keep vehicles sold. In the event a vehicle is turned down, it will revert back to the seller.
- Should a seller ask the auction to contact the buyer and reverse a sale for any reason (including but not limited to, a title problem they cannot fix, cannot obtain title for other reasons, retail deal fell through, unit sold in error, etc.). Seller is responsible for ALL expenses of buyer (again including, but not limited to transportation to any location in the country, ALL reconditioning repairs whether body, interior, or mechanical, buyers fees, interest, floor plan costs, etc.). Seller must also provide auction with a written statement that they are requesting the vehicle to be returned and understand that they are responsible for ALL charges associated with the return and as described above. Fees must be paid by seller prior to auction releasing vehicle. Auction buy and sale fees

associated with the transaction may be included as part of the expenses.

- Should a seller have a unit turned down in arbitration and sell the vehicle in a subsequent week **WITHOUT** making the proper disclosures, the auction will extend the arbitration time frame for that original problem **ONLY** to 7 days for the new buyer. The buyer will be entitled to ALL expenses incurred due to the seller's non disclosure of a known problem (including but not limited to transportation, reconditioning, repairs, floor plan expenses, interest, buyers fees, etc.). Should the seller have documented proof they had the problem repaired prior to the second sale, they will have 3 days after return to have the vehicle repaired again at their own expense in lieu of buyback. In this case, they will still be liable for the buyer's transportation expense back to the auction and to their lot for the second trip. Should the seller have no such proof, they will also receive their “First Strike” under the auction's Three Strikes Rule.

### B. Vehicles/ Items not subject to arbitration

- Glass, sheet metal, hail damage, upholstery, carpets, trim, exhaust system, springs, shocks, tires, wheel alignment.
- Accessory equipment and anything electrical including but not limited to (power windows, cruise control, sunroof, moonroof, power seats, radios, CD players, Navigation systems, DVD players, airbag lights and/ or sensors, and ABS sensors). See below for rules regarding “Hybrid”/ electric vehicles.

### C. Vehicles/ items which must be declared.

- Vehicles with previous or existing salvage titles, rebuilt titles, junk titles, reconditioned titles, insurance dated titles, non-highway titles, current to 3 year old vehicles titled in an insurance company's name **or** assigned/ sold to the current seller by any insurance company, and vehicles with a verifiable history of damage of at least 50% of the retail value at the time of damage on current to 3 year old year models must be disclosed. Any other **branded titles** and reassigned identification numbers must also be declared.
- Vehicles which have had air bags deployed and not replaced with

original equipment. Arbitrary Airbag issues must be reported to the auction within 7 days from date of purchase and returned within 10 days from date of purchase. Sale day is day number 1.

- Vehicles which have been imported from any country outside of the USA (manufactured outside the USA for sale in that country, **not** originally meeting US Safety and Emission Standards **or** with no US warranty coverage from the manufacturer **or** with odometer and/ or speedometers reading kilometers). All imported vehicles must have been properly imported under Federal Department of Transportation regulations and documentation made available to the buyer upon request. Current warranty status must be disclosed prior to sale as well if the vehicle would normally be assumed to be covered by a manufacturer's original warranty.
- Any "Hybrid"/ electric vehicle having an electrical problem related to the drive train/ power source must be announced and follows arbitration rules just as an "engine" problem would.
- Warranties that have been voided or cancelled. Arbitration is limited to standard warranty time frames and mileage limits for the specific make and model. It will also exclude paint warranties and any other non-mechanical warranty. There will be a 7 day time limit on arbitrations for non disclosure.

#### D. Late Titles

- Buyer must notify an auction manager 24 hours prior to returning the vehicle. If auction has title within that 24 hours – **Buyer must keep vehicle**. A "late title" announcement extends the time limit by thirty (30) days.
- Should a seller not produce a negotiable title within 90 days of sale, buyer may return vehicle and will be entitled to **all expenses** (including transportation, repairs, interest, advertising losses associated with subsequent sales, etc.)
- If a vehicle is arbitrated for frame, flood, or any "extended time frame" reason, the late title clock will stop until the arbitration is resolved. Once a final decision is rendered and all parties notified, the clock will restart. Please see management for details.

### Amendments and Clarifications to Arbitration Rules / Policies

- Day of Sale Arbitration is open until close of business, currently 6:00pm. Once a vehicle leaves auction premises on sale day, it may not be arbitrated for sale day arbitration issues. Only those items with extended arbitration time frame may be arbitrated after a vehicle is removed.
- DAA/OKC suggests one of the following:
  - Test driving your purchases before you leave the lot (or have them driven).
  - Have an auction Post-Sale Inspection (charges will apply).
  - Buy only pre-certified vehicles from major national Signors (CitiFinancial, Santander and AmeriCredit).
- For all arbitration policies where "days" are mentioned, **sale day is day 1**. For example, a 7-day time period will expire on Wednesdays following the normal Thursday sales.
- Inoperative odometers on exempt vehicles will no longer be grounds for arbitration.
- On vehicles sold in the auction's Inoperative/ Picture sale, keys are not guaranteed. Regardless of whether a prospective buyer sees a key in the unit prior to sale or assumes a key is in the vehicle, the auction will not be responsible for any key issues. The buyer should assume there is **no key** in the vehicle. Announcements regarding the odometers and/ or mileage on units sold in the Inoperative/ Picture sale **will not be changed for any reason!** Units without batteries, keys, or blown fuses are included. Once the seller instructs the auction to make such an announcement, the vehicle will be sold that way, the title marked, and no changes made without offering the vehicle across the auction block in an open environment without the announcement.

### SALE-LIGHT SYSTEM

- a. **Green Light – "Ride & Drive"**: The green light signals that this vehicle is guaranteed under the green light conditions outlined in the sale day, Seven Day and As-Is Arbitration section, with the exception of specific announcements made prior to the sale.

- b. **White Light – "Auction Guarantee or Seller Guarantee" (if applicable)**: The white light signals that this vehicle is guaranteed under the following conditions; seller guarantees the lower engine (block, rod, crank), the transmission, automatic or manual-clutch, rear-end or final drive (CV Joint, hub bearing, and axle).

#### **NOT ARBITRATABLE under Auction guarantee:**

1. Engine: Lifters, Cam Bearing, Oil Leaks, or Oil Smoke.
2. Head or Head Gaskets
3. Rear End: U Joints, Wheel Bearings, Grease Leaks, CV Boots.
4. Front Wheel Drive: Back Lash
5. Air Conditioning

- c. **Yellow Light – "Announcements"**: This light is an indication to the Buyer that the Auctioneer or Selling Representative has made announcements that qualify the condition and may limit arbitration of this vehicle.

- d. **Red Light - "As-Is"**: Vehicles selling under the red light will only qualify for arbitration under the red light rules outlined in the Sale Day, Seven Day, and As-Is Arbitration section.

### Three Strikes Rule

In order to maintain the integrity of the Auction and its customers, the following rule/ policy is effective immediately: **Any dealer who attempts to sell any vehicle at DAA/OKC which they or their affiliated representative purchased at another auction, with an announcement being made at that auction, and does not make the same announcement here, or any dealer who is caught tampering with a vehicle on the lot or takes a vehicle to arbitration where we find it has been tampered with shall be subject to the Three Strikes Rule. The rule states: First Offense – written warning, Second Offense – thirty (30) day suspension of auction privileges, Third Offense – permanent loss of auction privileges. Any attempt to challenge the announcement must be backed up with documentation (laser frame checks, title histories, affidavits, repair bills, etc.). In the case of frame damage, DAA/OKC and the laser frame machine located on DAA/OKC premises will be the final judge.**

## **Limited Title Warranty Terms and Conditions**

- The buyer agrees that he has examined the vehicle described and accepts it in its present condition; he also agrees that the title and ownership of said vehicle, with all of its equipment, shall remain in the Seller, or Dealers Auto Auction of OKC, Inc, hereafter named DAA, if it has paid the seller, until any check or draft given for the Sale Price of said vehicle or any part of the same, has been honored and paid in full. However, on delivery of this vehicle to the Buyer, he shall assume all liability of damage or destruction of same.
- Buyer further agrees to honor payment of any check or draft immediately when presented to his bank for payment, and under no circumstances will stop payment for any reason whatsoever unless approved by authorized representative of the DAA. Then, if approved, Buyer is to return vehicle at his expense to place of purchase. Buyer agrees to hold DAA harmless for and to indemnify it against any loss including attorneys fees, as a result of a Buyer's check or draft being dishonored by the bank upon which it is drawn for any reason whatsoever. Should Buyer's check or draft be dishonored, in addition to the above, Buyer shall pay DAA interest at a rate of 1.5% per month on any amount outstanding.
- The DAA, in accordance with the below terms and conditions, guarantees to the Buyer that the vehicle described is not stolen or mortgaged at the time of this sale.

1. This warranty does not cover mere technical defects which can be removed by execution and delivery to the Buyer or prior owners, or legally required papers without the necessity of any monetary payment.

2. The amount of the DAA's liability under its guaranty of title of the vehicle, the subject of this transaction, shall never exceed the sale price of said vehicle in this transaction, and the maximum amount of the DAA's liability under its said guaranty shall be reduced by deducting from said sale price 2% thereof on the first of each month following the date of the transaction, and all liability of the DAA will expire and terminate on the first day of the forty-eighth month after the date of the transaction.

3. The DAA's guaranty of title is expressly limited to the Buyer of the vehicle in the transaction the subject hereof, and said guaranty is not negotiable or transferable.

4. The DAA's guaranty to the Buyer shall be void *ab initio* if the purchase price for the vehicle is not paid by the Buyer.

5. The guaranty does not protect against defects in the title known to the Buyer whether listed as exceptions to the title on this instrument or not.

6. Whenever any claim is made by any person against the title of said vehicle, whether by suit or otherwise, the Buyer shall within five days after becoming aware of said claim notify DAA, giving full particulars of the claim, and shall cooperate fully in defending any legal action and in taking any other steps to minimize possible loss.

7. On payment of any claim under this guaranty, the Buyer will execute all necessary papers subrogating its right to recover against the Seller, or others, to the DAA.

8. The Buyer shall not surrender possession of the vehicle, except as required by legal process, to any such claimant, nor shall it voluntarily pay or acknowledge the validity of any such claim, without prior approval of the DAA.

9. Time is of the essence of this agreement and any failure on the part of the Buyer to notify the DAA of such claim shall vitiate the DAA's liability under this guaranty. Likewise, failure of the Buyer to cooperate in defending any such claim shall relieve the DAA of liability under this guaranty.

10. **Odometers** – It is consignor's responsibility to announce any odometer reading that is incorrect or in excess of 100,000 miles. DAA specifically makes no representation or guarantee regarding mileage of any vehicle. Odometer reading shown on invoice is as recorded at the time vehicle entered the auction.

- PLEASE CHECK AND PAY FOR CARS AS SOON AS POSSIBLE AFTER PURCHASE
- ALL REJECTS MUST BE APPROVED BY THE MANAGEMENT ON DAY OF SALE BEFORE PAYMENT OR LEAVING PREMISES
- ALL CARS MUST BE PAID FOR ON DAY OF SALE BEFORE LEAVING PREMISES

**ALL SALES ARE SUBJECT TO FINAL APPROVAL THROUGH AUCTION OFFICE.**