



## POLICIES AND PROCEDURES

“ARBITRATION” – Big Valley Auto Auction follows the most recent NAAA Rules of Arbitration. If any policy contained within this document is in contrast to NAAA, this policy will supersede the NAAA policy.

Sale day is day 1 in arbitrations.

The following items are not arbitratable.

- Ford 5.4 liter, Nissan 2.5-liter, Cold start up engine noise, All CVT transmissions (Exception: If CVT transmission does not allow proper test drive, it is arbitratable)
  - Check Engine lights (Arbitration must be mechanically specific.)
  - After market tuned PCM, ECM, TCM changed from OEM specs.
  - Inherent issues, Recalls, or issues disclosed by TSB’s
1. ANNOUNCEMENTS. The following must be announced regardless of which light a vehicle is sold under, excluding “AS-IS” and “AS-IS/NO ARB” (See NAAA Policy Guidelines Appendix I 4/3/23)
- Odometer discrepancy, frame damage, flood damage, cracked blocks, diesels, and diesel conversions, and paint and/or body work on current calendar year and newer models.
  - Salvage/Rebuilt Salvage/Rebuilt vehicles *(Must announce on all vehicles regardless of light)*
  - Flood vehicles *(Must announce on all vehicles regardless of light)*
  - Municipal and Livery vehicles
  - Recovered thefts
  - Vehicles born without air-conditioning
  - Vehicles with missing OR inoperable airbags
  - Non-four-wheel drive sport utility vehicles
  - Vehicles not conforming to US DOT, EPA or similar state agency regulations or standards

All selling announcements shall be made by auctioneers only, all representations by seller must be announced through the auctioneer. *It is the Seller’s obligation to fairly represent the vehicle and to correct any errors made by the auctioneers as an “announced condition.” It is the Purchaser’s obligation to watch lights and listen to “announced conditions.”*

2. “AS-IS”. Vehicles are not subject to arbitration except for:
- Unannounced salvage/salvage rebuilt/flood

- Odometer discrepancies. (2011 Vehicles and newer are not considered exempt until they are 20 years old. Mileage announcements are not required on exempt vehicles unless a mileage discrepancy is known or apparent to the seller.)
- Frame reported within 7 days (Vehicle must be returned to the auction for verification within a reasonable time frame. It is the Buyer's responsibility to arrange transport back to the auction)

The sale of any vehicle that has been arbitrated becomes an "AS-IS" transaction.

All "Counter Sales" are considered "AS-IS"

3. **"AS-IS/NO ARB.** Any vehicle selling for \$3000 or less is considered AS-IS/NO ARB. Vehicles are not subject to arbitration except for title issues such as unannounced title brand or inability to produce a negotiable title.
4. **FINALITY OF ARBITRATION.** No future arbitration will be permitted for any reason, with the exception of those allowed by the current NAAA Policy.
5. **RETURN OF VEHICLE BY BUYER.** If after arbitration the vehicle is returned to the seller for failure to announce one of the required disclosures, **SELLER SHALL PAY SELLER FEES.** Buyer must notify Big Valley of its intent to return any vehicle to the auction 24 hours in advance. The vehicle must be returned in the same or better condition than when it was purchased and have no more than 200 miles per month since time of purchase. (Mileage will not be considered in a Title arbitration)
6. **VISIBLE DEFECTS.** Visible defects are not subject to arbitration.
7. **PAYMENT OF VEHICLES TO SELLER.** Proceeds of sale will not be paid to the Seller until a clean and negotiable title has been presented. In the case that an unforeseen issue is discovered regarding the negotiability of the title at a later date, the Seller is responsible for clearing the issue or returning the funds to the Buyer. Payments will not be made on Sale Day.
8. **WINDOW INFORMATION.** Mileage and other information printed on the windows of any vehicle is *for the convenience* of the Dealer only. This information is not to be relied upon as complete and/or accurate and is not subject to arbitration. Auction is not responsible for misprinted information.
9. **AUTOCHECK/CARFAX.** Big Valley runs AutoCheck/Carfax as a COURTESY, Big Valley is not responsible for items missed or vehicles that did not get checked.

10. **LATE TITLE. SELLER WILL BE ASSESSED AUCTION FEES. NO EXCEPTION**

- If title is not received within 30 calendar days a late title fee of \$150 will be assessed.
- If the sale is reversed, Seller is responsible for the Sale fee *not* the late fee or arb fee.
- If the title is at the auction or tracking information shows that the title is in route to auction, the sale is "FINAL" and the vehicle may not be returned.
- Auction will assist in obtaining a lost title for a fee. However, the auction is not responsible for any titles lost in transit from seller or to buyer.

11. **POST SALE INSPECTIONS.** PSI will be completed within 24 to 48 hours after purchase. Sale day is

day 1, regardless of when the PSI was completed or vehicle was received by Buyer.

**NOTICE. Due to the complexity of today's vehicles, Big Valley will no longer guarantee issues that fall outside of the scope of our inspection process. Big Valley drives all inspection vehicles approximately 10 miles on a designated route.**

12. **ADMITTANCE RULES. BIG VALLEY AUTO AUCTION IS A DEALER ONLY AUCTION, no retail customers are allowed.** No one under 18 years of age is permitted into lane area. Drivers are not permitted onto auction lot or in auction lanes during auction.

13. **SELLING LIGHT SYSTEM.**

**Green Light** - Guaranteed by the seller not to have any single mechanical defect (except for above listed non-arbitrateable items) costing more than \$800 to repair.

**Green/Yellow Light** – Same as Green light except that the vehicle is sold with pre-announced declarations which are not subject to arbitration.

**Yellow Light** – Vehicle is sold with Drivetrain/4x4 guarantee. Guarantee is sale day only. It is up to the buyer to inspect the vehicle prior to 5 pm on sale day.

**Red Light** – The following vehicles must be announced and sold "AS-IS". Salvage vehicles, Police vehicles, Livery vehicles, and Municipal vehicles.

**Red/Yellow Light** – AS-IS/NO ARB. Any vehicle selling for \$3000 or less, motor cycles, boats, trailers, recreational vehicles, modified vehicles, off road vehicles and kit cars are automatically AS-IS/NO ARB.

Vehicles sold AS-IS or AS-IS/NO ARB are sold in their existing condition, with all faults, and without modification. Refer to current NAAA Arbitration Policy Guidelines.

14. **PART SHORTAGE.** In an effort to resolve the ongoing issue with backordered parts, Big Valley will now require Sellers to take back units for issues that are non-repairable or cannot be repaired within 30 days due to parts delays or shortage.
15. **CHIP SHORTAGE.** Due to global supply chain challenges and the related impact on new vehicle production, stated options may not be fully operable on certain late model vehicles. Therefore, the lack of functionality due to missing or substituted OEM chips will not be subject to arbitration. (See NAAA Position Statement on Chip Shortage 4/3/2023)
16. **OIL LEAKS.** For further clarification of the NAAA Arbitration Policy in reference to oil leaks, BVAA assumes the right to use discretion in arbitration as it relates to oil leaks. Oil leaks will not be arbitrated unless they are excessive. Seepage and slow dripping oil leaks will not be arbitrated.

#### **POST-SALE INSPECTION (PSI) POLICY**

Big Valley's Post-Sale Inspection (PSI) is a basic mechanical, structural and flood inspection that follows the NAAA most current Arbitration Policy.

The PSI is conducted in a specific amount of time and as promptly and accurately as possible. This inspection is limited to the items covered under the light which the vehicle was sold under. Big Valley AA will not inspect for items outside of the Seller's guarantee. This inspection is conducted within a limited range; therefore, it is not feasible to duplicate all conditions identical to normal day-to-day operations. Big Valley AA reserves the right to engage with a third-party vendor of their choosing if a more specialized inspection is recommended, in agreement with the auction, buyer and seller.

**NOTICE. Due to the complexity of today's vehicles, Big Valley will no longer guarantee issues that fall outside of the scope of our inspection process, regardless of the PSI outcome. Big Valley drives all inspection vehicles approximately 10 miles on a designated route. In the case of a Seller Guarantee, the burden falls on the Seller, not Big Valley AA, to deliver a vehicle that is accurately represented.**

PSI purchases are subject to the following:

- The Buyer is responsible for the PSI fee regardless of vehicle pass or fail

- PSI failures are determined by NAAA arbitration policy and follow the NAAA repair or replace threshold for in-lane purchases.

#### **BIG VALLEY AA PSI GUARANTEE**

- The Inspected components of a vehicle that passes PSI inspection criteria will come with a 7-day or 14-day guarantee based on the PSI purchased.
- **THE PSI GUARANTEE IS NON-TRANSFERABLE AND VOID IF THE VEHICLE IS RESOLD DURING THE GUARANTEE PERIOD.**
- Vehicles submitted for Arbitration must have LESS than 200 miles accumulated mileage from Odo reading recorded by the auction on Sale date.
- If an inspected component is found defective during the guarantee period, Big Valley AA reserves the right to remediate valid claims estimated at the 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, and was detectable within the normal scope of a PSI, Big Valley will reimburse expenses incurred by the Buyer (excluding profit, commissions, and detail charges) on vehicles arbitrated. The amount of reimbursement that qualifies under these guidelines will be at the sole discretion of Big Valley AA and will be limited to reasonable and documented expenses at auction wholesale repair cost.

#### **PSI ELIGIBLE VEHICLES**

The following vehicles are eligible for PSI

- Green light vehicles (Ride & Drive) less than 100,000 miles
- Green/Yellow light vehicles (Ride & Drive with Caution) less than 100,000 miles
  - Items disclosed by Seller under the Yellow caution light will not be inspected and/or guaranteed under PSI
- Yellow light vehicles (Drivetrain/4x4) less than 150,000 miles
- Vehicle price over \$3,000

#### **VEHICLES INELIGIBLE FOR PSI**

The following vehicles are ineligible for PSI

- Green light vehicles sold with 100,000 miles or over
- Yellow light vehicles sold with 150,000 miles or over
- Vehicles sold for \$3,000 or less
- Vehicles sold with a purchase price above \$75,000
- Vehicles past purchase window.

- 5 pm on Sale Day for all vehicles purchased on the block
- 3 hours past close of “if” bids
- 24 hours after vehicle purchase on OVE
- Vehicles 20 years or older
- Vehicles that have been exited from the auction back lot
- OVE offsite vehicle purchases not transported to Big Valley AA
- Vehicles with branded titles or defects
- ALL HYBRID AND ELECTRIC VEHICLES
- Heavy duty trucks, box trucks, buses, and trailers
- Kit vehicles, RV’s, Watercraft, Homemade vehicles, Modified vehicles
- Exotic Vehicles (including, but not limited to)

■ AMC H1	■ Dodge Viper	■ Mercedes G Wagon
■ Acura NSX	■ Ferrari	■ Mercedes SLR model
■ Aston Martin	■ Fisker	■ Mitsubishi Lancer
■ Audi R8	■ Ford GT	■ Nissan GT-R
■ Bentley	■ Lamborghini	■ Panoz
■ BMW Alpina	■ Lotus	■ Porsche
■ BMW i8	■ Maserati	■ Rolls-Royce
■ DMC 12	■ Maybach	■ Subaru WRX
■ Dodge Demon	■ McClaren	■ Tesla

### **PERFORMANCE MODIFICATIONS**

Performance modifications must be announced 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 vehicles to fail PSI.

- Computer and electrical modifications, including but not limited to computer chips and tuners are NOT eligible for PSI.
- Physical parts modifications including but not limited to turbos, catalytic converter deletes and/or replacements, and EGR deletes
  - OEM/OE approved modifications will not affect the eligibility of a vehicle for PSI
  - Non-OEM/OE approved modifications are not eligible for PSI and will cause the vehicle to fail PSI if found during the inspection

## **STRUCTURAL DAMAGE/ STRUCTURAL ALTERATION**

- **Big Valley AA follows the NAAA guidelines and definitions**
  - **All structural damage/alteration must be announced via Seller disclosure**
  - **Announced damage/alteration is not a condition for a failed PSI**
  - **Unannounced damage/alteration is a condition for a failed PSI**

## **PSI INSPECTED COMPONENTS**

### **GREEN LIGHT AND GREEN/YELLOW LIGHT**

- **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**
- **Air conditioning checked for operation**
- **SRS (Supplemental restraint system/airbags) check**
- **Structure checked**
- **Flood inspection**

### **YELLOW LIGHT**

- **Odometer verification**
- **Transmission engages and functions**
- **Engine function and operation**

- Drivetrain
  - 4x4 system engagement
  - Differential engagement

**ADVANCED DRIVER ASSIST SYSTEMS (ADAS) ARE NOT INSPECTED AS PART OF PSI. PER NAAA GUIDELINES, THESE SYSTEMS MUST BE INSPECTED BY A QUALIFIED 3<sup>RD</sup> 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

#### **PSI PASS/FAIL**

- The auction will make the final determination if the PSI is passed or failed
- The Buyer has the option to enter the arbitration process and:
  - Complete the transaction on mutually agreeable terms with the seller
    - Per NAAA Arbitration Policy: “If price adjustment is made and accepted, vehicle becomes “As-Is/No Arb” property of the Buyer, and is not subject to any further arbitration.
  - Or, complete the transaction with the vehicle in its current condition
    - Per NAAA Arbitration Policy: “If price adjustment is made and accepted, vehicle becomes “As-Is/No Arb” property of the Buyer, and is not subject to any further arbitration
  - Or, void the transaction
- A vehicle that fails PSI and results in a “no sale” status will move back into the seller inventory. If the seller decides to re-run the vehicle in a future auction, the seller is required to repair the vehicle or disclose the results of the failed PSI when re-running the vehicle. Failure to do so



may result in the seller being held responsible for reimbursement of any subsequent failed PSI for such vehicle. It is NOT the responsibility of the auction to transfer the announcements.

#### CLAIMS AND ARBITRATIONS

- For vehicle purchases, a defect on a vehicle for which a 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 at or above the NAAA Arbitration Policy threshold to repair or replace, with the estimate based solely on Big Valley AA's wholesale cost.
- For defect states noted above, the defect must be eligible for claim resolution with Big Valley AA and Big Valley AA reserves the right to remediate the claim.
- The Seller remains liable for issues that fall under the required disclosures and timelines as per NAAA policy.

#### NON-ARBITRATIBLE ITEMS

- Leaks, noise and other items that are generally considered inherent to a vehicle.
- Inherent conditions based on year, make, model
  - Determination will be made using NHTSA.gov
- Any modification to the vehicle after it leaves the auction will void the PSI guarantee.
- Any options, accessories, or items not included in standard base equipment on OEM make model trim of the vehicle being inspected
- Wearable items as defined by NAAA guidelines:
  - Parts of a vehicle that the manufacturer recognizes the need for replacement/adjustment during the expected life of the vehicle driver the average miles per model year (15k). These items are normally identified in the Owner's Manual for routine check and replacement.

<b>All suspension</b> - Struts - Coil/Leaf Spring - Etc	<b>All Brake</b> - Pads - Shoes - Rotors	<b>External engine Components</b> - Belts - Hoses - Etc
<b>Misc</b> - Ball joints - Steering rack/pinion - bushings	<b>Items with manufacture defined life expectancy</b> - Fluids/lubricants - Wipers - Tires	

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**INSPECTION PERFORMANCE**

Big Valley AA will not do the following during the PSI inspection process

- OEM installed under body cladding will not be removed from the vehicle
- Vehicles will not be driven at speeds high enough to simulate all driving conditions
- Vehicles will not be driven for long durations to simulated extended driving conditions

**BIG VALLEY AA RESERVES THE RIGHT TO MODIFY, ALTER, DISCONTINUE OR TERMINATE THIS POLICY AT ANY TIME FOR ANY REASON WHATSOEVER, WITH OR WITHOUT NOTICE. IN ADDITION, BIG VALLEY AA RESERVES THE RIGHT TO DECLINE TO OFFER THIS SERVICE TO ANY PERSON OR ENTITY AT ITS DISCRETION.**