

HOUSTON AUTO AUCTION'S **3-DAY / 150 MILE LIMITED GUARANTEE**

COST: \$100 (non-refundable)

WHAT IS IT?

Houston Auto Auction, Inc. (HAA) will guarantee the condition of certain major items on your purchased vehicle subject to the following terms and conditions:

- 1) The vehicle must have been eligible for this guarantee at the time you bid on it. Look for the **GREEN DOT DECAL ON THE DRIVER'S SIDE WINDSHIELD.**
- 2) This limited guarantee specifically **INCLUDES:**
 - a) Odometer discrepancies (HAA must be notified of broken odometers within 24 hours of payment).
 - b) Frame damaged vehicles not repaired to factory specifications (This does not include core support or front horns of frame).
 - c) Flood damage (Water must have risen to the bottom of the dashboard or have damaged electrical components).
 - d) Major drive-train components (motor, transmission and rear-end) having defects that would cost over \$250 to repair as determined by an independent repair facility of HAA's choice.
- 3) This limited guarantee specifically **EXCLUDES:**
 - a) Any defects announced on the vehicle before or during the bidding process.
 - b) All other defects in the purchased vehicle not specifically included above (such as, but not limited to, any lights illuminated on instrument panel, paint and body work, c.v. joints, motor mounts, air conditioning, heating, radio, belts, hoses, tires, interior cosmetics and defects in glass. HAA will announce illuminated lights on instrument panel if it has knowledge of such).
 - c) Abuse of vehicle by purchaser as determined by an ASE certified independent repair facility of HAA's choice (**HAA strongly advises purchasers to check all fluids on their purchased vehicle before leaving the auction and immediately take their vehicle to an ASE certified service facility for inspection and necessary preventive maintenance such as oil and fluid changes. Purchaser should keep all receipts for later proof that these services were performed by an ASE certified service facility.**)
- 4) Purchaser **MUST ADHERE TO THE FOLLOWING:**
 - a) This limited guarantee must be purchased at the same time payment is made for the vehicle. Regardless of when payment is made, the time period for this guarantee shall begin:
 - i) **WEDNESDAY PURCHASE:** 5:00 p.m. central time on day of sale. Purchaser may return vehicle the following Saturday by 3:00 p.m. central time.
 - ii) **SATURDAY PURCHASE:** 3:00 p.m. central time on day of sale. Purchaser may return vehicle the following Tuesday by 5:00 p.m. central time.
 - iii) Any exceptions to these time periods must be approved by the office manager at the time payment is made by the purchaser and will only be considered in cases where purchaser is notified after sale day that his/her bid was accepted.
 - b) Inspect your purchased vehicle carefully as soon as possible. Should you discover a potential major defect, notify HAA as soon as possible. **IF POSSIBLE, DO NOT DRIVE** the vehicle once you discover the potential defect. This could cause further damage to the vehicle if the vehicle is overheating or has a defect in the motor. **PURCHASER MUST HAVE VEHICLE TOWED BACK TO HAA AT PURCHASER'S EXPENSE.** HAA will help purchaser by providing a list of reputable tow service companies.
 - c) Purchaser is responsible for providing financial responsibility (insurance) for purchased vehicle and, therefore, any personal injury or property damage done by or to the

- purchased vehicle while in his/her possession.
- d) Purchased vehicle must not be driven over 150 miles. Purchaser should verify mileage before leaving the HAA auction facility. If the mileage on the sales agreement is different from the actual mileage on the purchased vehicle, purchaser shall have HAA personnel at the back gate exit verify such, change the mileage on the sales agreement and both parties shall initial mileage change.
- 5) Upon return of the purchased vehicle to HAA by the purchaser, the following procedure shall be followed:
- a) An auction representative will sign in the purchased vehicle and verify:
 - i) the mileage on the vehicle;
 - ii) the date and time of return;
 - iii) any physical damage on the vehicle that was not present at the time of sale; and
 - iv) the defect alleged by the purchaser.
 - b) **OBVIOUS UNANNOUNCED DEFECT**: If an auction representative can determine that the purchased vehicle does in fact have the alleged defect, and if said defect is covered under this limited guarantee and all other required conditions of this agreement have been met by the purchaser, then all monies paid to HAA for the purchase of the vehicle, excluding the \$100 for this limited guarantee, will be refunded to the purchaser in the form of a business check payable to the purchaser.
 - c) **DEFECT NOT OBVIOUS**: If an auction representative cannot determine that the alleged defect in the purchased vehicle is obvious, then HAA will send the vehicle to an independent repair/service facility of HAA's choice for an objective opinion on the alleged defect. If the independent repair/service facility finds the alleged defect in the purchased vehicle does exist, then the vehicle will be treated as having an **UNANNOUNCED DEFECT** and all monies will be refunded to the purchaser under the same conditions as 5.b. above.
 - d) If the independent repair/service facility should determine that the defect does not exist or that the purchaser abused the purchased vehicle and therefore caused the alleged defect, then the purchaser will be required to keep the purchased vehicle and no monies will be refunded. **PLEASE REFER TO 3.c. ABOVE.**
 - e) Purchaser should be aware that the process followed to find the alleged defect in the purchased vehicle could, and most likely will, take up to 5 business days. HAA will use its best efforts to expedite the process if possible. This time frame is necessary to ensure the correct decision is made when resolving the matter and that all parties understand the facts involved in the final decision.
 - f) A Carfax or AutoCheck Auctions report will be considered but not binding. HAA will be allowed a reasonable time to remedy misinformation in said reports.
- 6) **ARBITRATION CLAUSE**:
- a) If, after a good faith attempt to mediate, the parties are unable to resolve any controversies, claims or disputes relating to this Agreement, then either party may initiate arbitration by filing in writing a notice of demand for arbitration to the other party and the American Arbitration Association ("AAA"). The notice shall reasonably describe and identify the issues or claims to be arbitrated and the relief requested with maximum amount stated for any actual damages requested. Attached to the notice shall be a true and correct copy of this agreement and all its amendments or supplements.
 - b) It is the intent of the parties that, to the extent practicable, the binding arbitration shall be conducted by the person mutually agreeable to the parties and knowledgeable and experienced in the type of matter that is the subject of the dispute. In the event that the parties are unable to agree upon such person within 15 days after arbitration has been initiated by the filing of the notice, then the arbitrator shall be selected from a list supplied by AAA. In the event that a person cannot be selected from the supplied list then the AAA shall appoint a neutral arbitrator who meets the following criteria:
 - i) Such person has never represented, or been employed by a law firm, that has represented either party.
 - ii) Such person has no direct interest in the controversy or in any other entity that has a direct interest in the controversy.
 - iii) Such person discloses all potential conflict in accordance with the AAA Commercial Arbitration Rules.
 - iv) Such person has no personal relationship with counsel for either party.
 - c) The arbitrator shall render his or her reasoned award no later than 30 days after the last

- hearing date.
- d) The arbitrator's decision shall be final and binding upon both parties, and no party shall seek to have the applicable issues litigated rather than arbitrated (except as may be otherwise required by law).
 - e) The arbitrator shall bill, through AAA, his or her fees and costs attributable to such binding arbitration in equal shares to the parties. The arbitrator shall have discretion, in the award, to apportion reasonable and necessary attorneys' fees, arbitrator fees, arbitration expenses, expert witness fees, and other out-of-pocket costs in favor of the prevailing party in the arbitration. If any party seeks to modify or overturn all or a portion of the arbitrator's award and is unsuccessful, then the opposing party shall be awarded all its reasonable attorneys' fees incurred in the arbitration. If it becomes necessary for the prevailing party to secure judicial confirmation of the award and to otherwise undertake legal action to collect an award, then such party shall be entitled to its reasonable attorneys' fees and all costs for such actions.
 - f) No punitive damages are recoverable in the arbitration. The arbitration panel is not empowered to award damages in excess of compensatory damages, and each party irrevocably waives any right to recover punitive damages.
 - g) Except as otherwise modified herein, the arbitration shall be conducted in accordance with the Rules of Commercial Arbitration of the American Arbitration Association. All arbitrations shall occur in Houston, Texas.

THIS WRITTEN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

Vehicle Description:

Yr:
Make:
Model:
VIN:
Sale Date:
BOS#:

I, name/org, have read and understand the terms of this limited guarantee. I understand that I, as well as Houston Auto Auction, have very specific obligations as written in this limited guarantee and agree to abide by them.

Signature of Purchaser

Signature of Auction Representative

Date