CENTRAL
HOUSTON

This location follows the NAAA Arbitration Policy and America's Auto Auction Terms and Conditions. However, **certain amendments, exceptions, or operational differences** may apply. The details below outline our specific local policies.

General Policies

The decision of America's Auto Auction Central Houston (**CHOU**) management shall be final on all disputes. CHOU reserves the right to cancel any purchase due to unforeseen circumstances. This also includes transactions deemed unfair and/or unethical to either party. The Buyer and Seller agree that CHOU may cancel the sale at the auction's sole discretion. CHOU has reasonable time to make final determination on arbitration and/or disputes arising from a sale. CHOU will not release a seller check or title until final resolution. All trailers, RVs, Golf Carts, Powersports, Motorcycles, or any other Specialty Item are sold "AS-IS" and are not subject to any arbitration.

Sale Lot

Retail customers are not allowed on the property. Dealers who bring retail customers onto the premises may permanently lose auction privileges. For insurance and safety reasons, no one under 18 is permitted on site. Test drives end at 10:00 a.m. on sale day. Any dealer operating a vehicle on the lot after 10:00 a.m. without written management approval will be immediately suspended from the lot. The lot speed limit is 10 mph. Penalties are as follows: first violation, warning; second, one-week suspension; third, 30-day suspension; fourth, permanent termination of business with AAAH. Anyone caught tampering with, stealing from, or vandalizing a vehicle will be arrested and prosecuted to the fullest extent of the law. Security personnel may search or inspect any vehicle and its contents before it leaves the premises. CHOU provides vehicle storage solely as a convenience to registered dealers. All vehicles, keys, and contents are left at the owner's risk. CHOU is not liable for stolen items, including radio faceplates, electronics, tuners, key fobs, shift knobs, or similar property, and is not responsible for theft, vandalism, damage, weather-related incidents, or acts of God. Open-carry and concealed weapons are prohibited on the property without exception. Anyone test driving a vehicle accepts full financial and legal responsibility for any resulting loss or damage, including damage to the vehicle, other vehicles, persons, or property, and agrees to indemnify and hold CHOU harmless from any related claims.

Registration & Payment

Dealers and their authorized Representatives must be registered through Auction Access and must be currently licensed by their state before doing business at CHOU. Auction Access charges a yearly subscription fee. CHOU cannot facilitate payment of this fee. Dealers are responsible for all business transacted by representatives under their company name at CHOU. To remove an authorized representative, dealers must fill out a removal of an individual form and submit it to AuctionAccess. Dealers are responsible for the security of their online credentials. All purchases made by a dealer online are fully enforceable transactions. Dealers must have a current and visible bidder badge when bidding. Auction Access ID cards or digital cards on

the Auction Access Phone App are required to receive your bidder badge. The auction reserves the right to request additional identification to ensure the security of access to your dealership. All vehicles must be registered before they can cross the auction block. Only CHOU personnel may drive vehicles through the auction arena. All vehicles bought or sold on the premises must be processed through CHOU. Outside the-gate sales are not permitted. All purchased vehicles must be post-sale inspected or arbitrated within the posted time limits. All buyers are required to have a completed ACH form or Floorplan to get a bidder badge. Please see management for details. Any NSF is subject to an NSF fee as well as a reinstatement fee. Reoccurring NSF transactions may result in suspension of your account or payment via Certified Funds only. All accounts receivable is due within 30-Days of the charge (Net 30). A service fee will be applied to all Floorplan transactions. All cars registered are subject to inspection by the State Police or the National Auto Theft Bureau.

Seller Responsibility

Vehicles must be accurately and fairly represented. All license plates should be removed by the seller prior to consigning the unit to the auction. It is the Seller's responsibility to verify all mileage, lights, information, and announcements before the point of sale. All announcements and required disclosures must be communicated to the auction staff prior to the auction at the sole responsibility of the Seller. CHOU is not responsible for missing announcements on the block. CHOU strongly encourages sellers to add announcements inside the office before the car is on the block. Changing announcements on the block could remove Internet Proxy Bids and result in missed online bidding. It is the Sellers responsibility to verify announcements are on the sale screen and are accurate. These are what are represented on Bill of Sale. CHOU markings and stickers are a guide only. It is the Seller's responsibility to verify the accuracy of these markings. The Seller guarantees all items subject to arbitration on all vehicles sold. It is the Seller's responsibility to make sure each unit has an adequate fuel supply. Vehicles without an adequate fuel supply will be charged a service fee if fuel is needed. Sellers may be charged an online sale fee if the vehicle is sold to an online buyer. Any unit being returned to auction for a valid arbitration will be returned to the seller. Seller is liable for returning proceeds paid by auction and any additional fees potentially incurred by the buyer at the auction's discretion. If a unit is recalled by a seller for any reason, the seller is liable to pay all fees incurred to recover the unit, including but not limited to, transportation, repairs, and auction expenses within reason.

Buyer Responsibility

The Buyer must verify the price and Seller's representations (including VIN, year, model, mileage, odometer, announcements, etc.) and notify CHOU of any discrepancies on the day of sale. It is the Buyer's responsibility to know and understand the announcements as a condition of the sale. Verbal announcements made by the auctioneer and/or announcements on the sale screen that appear on the Bill of Sale are terms of sale. Any dispute about the announcements must be made before close of business on the day of the sale. CHOU markings and stickers are a guide only, and the buyer is bound by the announcements and disclosures provided on the Bill of Sale and announced at the time of sale only. It is the sole responsibility of the buyer to contact the auction on any units purchased on an offer, sold on an offer, units in arbitration or pending arbitration, post-sale inspections, and titles. The Buyer is responsible to assess the condition of the unit at the point of sale. There will be no arbitration for physical damages not seen at the point of sale by the Buyer unless they are qualified by NAAA and/or CHOU Policy. This includes but is not limited to Hail Damage, Paint/Body Damage, Missing or Inoperable Equipment, and more.

Light System & Announcements

All required announcements must be on the Bill of Sale/Sale Screen and announced by the auctioneer. It is the Seller's responsibility to ensure the Bill of Sale/Sale Screen is correct. The Seller attests that the vehicle is subject to all arbitration policies. Any misrepresentation of this policy may result in transportation reimbursement as well as other expenses. Once a vehicle leaves the gate at CHOU it becomes AS-IS regardless of Light sold unless there was a Pre-Sale Certification or Post-Sale Inspection performed. Vehicles with the following history issues are required to have an announcement per NAAA: NAM or TMU, Lemon Law, Total Loss and/or Salvage/Salvage Rebuilt, Bonded, Previously

Abandoned, State Issued or Reissued VIN Plates, MSO (Manufactures Certificate of Origin), CO (Certificate of Origin), Gray Market, Previous Canadian, Major Damage or Theft/Fire History Brands on Auto Check, Vehicles Sold Without Title (Bill of Sale Only), Biohazard, Vehicles Sold with a Government Release for Title, Fuel Conversion, Biohazard, Vehicle/Title in Kilometers, Law Enforcement Use, Government Use, Livery Use, Fire Damage, Missing VIN Plate and Altered Emissions.

CHOU uses the standard rules for NAAA regarding the Light System with exceptions highlighted in the **Arbitration** section below.

- **Green Light:** units are sold to be free of singular defects **where the individual wholesale repair cost (parts and labor combined) exceeds $800** (eligible for arbitration per NAAA). AAAH determines the repair cost using aftermarket, remanufactured, and used parts with a labor rate of $75/hour, per NAAA policy.
- **Yellow Light:** is used as a caution light highlighting an **announced condition,** pay attention to announcements when a Yellow Light is illuminated. A Yellow Light may be on for Green Light or Red-Light units as necessary to indicate an announced condition.
- **Red Light:** indicates as-is. As-Is units are only subject to arbitration for the following: Structural Damage, Inoperable Odometer, Total Loss, Theft Recovery, Bonded, Insurance or Salvage/Salvage Rebuilt Title, Flood Damage or History, Reassigned VIN, Lemon Law Buyback, Previous Canadian and Grey Market, Fuel Conversion, and Biohazard.
- **No Arbitration:** All units sold Inop/Damaged & Disabled (Lane 7) and/or units sold for $4,000 or less will be sold AS-IS, regardless of the original announced condition. These units will only be eligible for arbitration due to odometer and/or title issues.

Arbitration

- All arbitration requests must be submitted by email to: arbitrationchou@americasaa.com
- Units sold at a purchase price of **$4,000 or less** will **default to as-is**, regardless of any prior condition announcements **or the light present at the time of sale**. These vehicles are only eligible for arbitration related to **odometer** and/or **title issues**. Vehicles sold for $4,000 or less are exempt from all mechanical and component disclosures (including SRS, Airbags, and Emissions) and are arbitrated strictly on Title and Odometer rules.
- Units sold Inoperable/Damaged & Disabled (Lane 7) will be sold **as-is** and will not be eligible for arbitration for any undisclosed defects, damages, or missing equipment/components including keys. These units are only eligible for arbitration related to **odometer** and/or **title issues.**
- Units sold with at least one of the following brands/announcements will not be subject to any additional arbitration: **Salvage, Salvage/Rebuilt, Bonded, Lemon Law Buyback, Total Loss, Previously Titled/Registered to Insurance, Reassigned Vin or Flood/Fire Damage.**
- Units sold disclosed as Structural Alteration will not be subject to additional arbitration for Frame or Structural Damage unless the damage is deemed to be excessive warranting the announcement as such.
- Units sold with an aftermarket flatbed, aftermarket bumper(s), aftermarket side steps, aftermarket towing packages or fifth wheel hitches are **not** subject to arbitration for any **frame** or **structural alterations** to accommodate said accessories.
- Units sold online (Simulcast), mechanical arbitration is limited to Sale Day only, unless purchaser has purchased a Post-Sale Inspection (PSI).
- PSI coverage ends after a unit has been driven 200 miles, even if the allowable time has not expired.
- Units sold with **150,000 miles** or more do not qualify for Post-Sale Inspections (PSI). If a buyer purchases a **Green-Light** unit with more than 150,000 miles, the auction can, upon request, perform a "**Sale Day Check**" on these units for $125. This service will inspect a unit for a buyer who is unable to verify the condition of green-light units after the point of sale. If the unit **fails** a **"Sale Day Check"**, the unit is eligible for arbitration back to the

seller. If the unit **passes** a "**Sale Day Check"**, the deal will stand, and the unit will no longer be subject to any additional arbitration. This service **does not** come with any guarantees beyond the date of sale.

- Mileage Exempt Law: 20-year and older vehicles are exempt from Federal Odometer Disclosure. However, Exempt does not cover a TMU vehicle. All mileage discrepancies must be announced as TMU or NAM (Replaced odometer cluster must be announced on all vehicles and branded TMU).
- Units with manual transmission are not subject to arbitration for transmission and/or clutch related issues.
- Vehicles with a Logo or Decal Misrepresentation are only subject to arbitration on Green-light units' day of sale only.
- After a vehicle leaves CHOU, it becomes AS-IS and does not qualify for arbitration (including body/paint damage) unless allowed by PSI or NAAA policy.
- CHOU reserves the right to repair or provide compensation for repair on any arbitration claim. All repairs or compensation is based on Auction wholesale pricing. Any price adjustment eliminates further arbitration for any defects. After any adjustment is accepted, the unit becomes "AS-IS" and is not subject to further arbitration.
- A buyer may only submit an arbitration claim one (1) time for one singular item, CHOU will only check your initial complaint.
- Units with inherent, chronic issues may not be subject to arbitration. These issues include but are not limited to: Nissan vehicles with CVT (Continuously Variable Transmission) issues, Dodge/Chrysler/Ram vehicles with lifter noises or exhaust manifold leaks, Ford/Lincoln 3.5L EcoBoost with Cam Phaser noises, and more. **These specified components are sold strictly AS-IS.**
- Condition Reports are for your convenience. CHOU does not guarantee the accuracy of any condition report. Condition Reports will not be used in any arbitration claim.
- Units with Oil leaks are only eligible for arbitration if deemed excessive by our mechanics. Units must be actively dripping oil while the engine is running, leaving a puddle of oil under the unit after running in one place for ten (10) minutes.
- All vehicles 20-years of age and older are considered by the auction as antique, classic, and/or special interest. These vehicles are sold "AS-IS" and are not subject to Arbitration.
- Electric or Hybrid Vehicle Battery Problems (up to eight (8) model years) are eligible for arbitration at the buyer's request. Auction reserves the right to have a third-party vendor, or manufacturer verify an arbitration claim for an EV, PHEV, or Hybrid Vehicle battery. EV, PHEV, or Hybrid Vehicle Battery issues are only covered by a day of sale guarantee provided the unit was sold Green Light.
- Units sold to an In-Lane Buyer are not subject to arbitration for any missing equipment or undisclosed physical damage, unless the damage qualifies per NAAA and/or CHOU policy. These damages include, but are not limited to, Hail Damage, Paint/Body Damage, Missing or Inoperable Equipment, and more.
- Units announced as "Altered Suspension" are not subject to arbitration for any Frame and/or Structural alterations performed to accommodate said alterations.

The decision of the Arbitration Department is **final** in all disputes. Management reserves the right to reject any arbitration complaint if the unit in question appears to be tampered with. Any dealer caught tampering with vehicles will be subject to suspension of arbitration and/or auction privileges.

"IF Sales" On Call

"IF" bids are a binding agreement between buyer and seller until 12 (noon) the following business day. The buyer has the right to terminate an "IF" bid at 12 (noon) the following business day only if there is no response from the seller. Buyers must contact CHOU with their intent to void a sale as per this policy. Without a notification from the Buyer, the "IF" bid will remain as binding agreement until an answer is received by the Seller. If the seller counters an "IF" bid, the buyer has the right to terminate the transaction at any time before an agreement may be reached by Buyer and Seller. If a Buyer has not yet declined an "IF" bid after initial seller counter, and the seller proceeds with accepting the offer, the sale will stand. Once a Buyer has submitted a counteroffer to

purchase, that again is a binding agreement, and the Auction is obligated to provide the Seller with the counteroffer. It is the sole responsibility of the buyer to contact the auction regarding “IF” bids.

Titles

Standard title delivery is 30 days (Sale Day is Day 1) to produce a title for any units sold Title Absent (TA). If a seller announces "Title Delay (xx Days)" at the time of sale, this announcement completely overrides the standard 30-day window, moving the title deadline to the specific number of days disclosed. If no title is received by the auction within the applicable 30-day or announced custom extension period, the buyer may initiate a late title return for the unit. Once a late title notice has been submitted, the seller has until the end of the next **business day (by 5:00 p.m., excluding weekends and auction holidays)** to produce a title. If a title is received after the following business day, but the unit has not yet been returned to an America’s Auto Auction location, the sale will stand. Buyer is responsible for all expenses incurred when returning a unit for a late title, including but not limited to: Transportation, Repairs and Maintenance, registration fees, etc. Vehicles being returned must be in the same or better condition as purchased. If a unit is returned and has accrued 500 miles or more from the date of purchase, the purchaser (buyer) will be responsible for paying **$.35c/mile** payable to the auction. All arbitration or late title notice requests should be submitted by email to: arbitrationchou@americasaa.com. For title problems relating to a clerical error, CHOU should be given 5 Business days to correct the error.

Returned Vehicle Guidelines

Any returned vehicle must be received by the auction in the exact same or better mechanical and physical condition as when it crossed the auction block. Once a vehicle clears the security exit gate and a gate pass is signed, it legally becomes "AS-IS" regarding all physical, structural, cosmetic, and visible damage (including paint, body, glass, and missing components), regardless of the light system under which it was sold, unless a Pre-Sale Certification or Post-Sale Inspection (PSI) was active. All return vehicles must have a 24-hour (next business day) notification to the main office. CHOU's liability under our policy shall never exceed the auction sale price of the vehicle. Per Auction Insurance Agency guidelines, Seller shall be solely responsible for re-purchase of any vehicle sold through the auction found to be stolen. CHOU does not reimburse transportation under any circumstance. Vehicles with more than 500 additional miles may not be accepted for arbitration or may be subject to monetary adjustments based on the value of resale as highlighted in the **Titles** section above. A vehicle being returned for arbitration must be received by the auction within the guaranteed period provided by NAAA Rules, or within the time frame allowed by the inspection. Sale days are always day 1.

Storage Policy

Vehicles inside the sale lot that are not registered for sale or removed from the lot within 30-Days will be assessed a storage fee of $25 per day. After 60-Days the vehicles will be considered abandoned and sold. Dealer assumes full responsibility for vehicles parked outside of the sale lot. Vehicles left overnight in the front parking area may be considered abandoned and towed to an impound lot. It is the dealer’s responsibility to pay all fees associated with these abandoned vehicles.

Online Sales and Vehicle Pickup

CHOU seeks to maintain the highest standards for the representation and sale of used vehicles online on all platforms. To provide the easiest transaction for our Buyers and Sellers, the following procedures are in place, in addition to the regular in-lane policies. All vehicles sold online will be charged an additional fee to the buyer and seller.

Upon winning bid by an online Buyer, and upon request CHOU will send, by fax or email, a bill of sale to the buying dealership. The Buyer is required to specify the method of payment. Upon receipt of confirmed funding, CHOU will release the vehicle. The Buyer’s payment must be received prior to the vehicle(s) being released for transportation. When the pick-up location is listed at CHOU, the Buyer must advise the transportation company to contact the CHOU

office during business hours to check the status prior to the arrival of a carrier, transport truck, or company drivers. The auction cannot be held responsible for transport delays or dry runs due to failure to confirm vehicle(s) ready-to-release status. When the pick-up location is at the selling dealer, the buyer must make pick-up arrangements 24 hours in advance.

Online Arbitrations & Returns

CHOU standard sale day arbitration policies will be recognized for all online sale units. If purchasing on simulcast, buyers must purchase a post-sale inspection to arbitrate within 7 or 14 days after the sale. If no PSI is purchased, arbitration is limited to Sale Day only, before leaving the auction facility. Any vehicle bought online without a full condition report is sold AS-IS, no arbitration unless a post-sale inspection is purchased. Pictures only or a photo-only condition report does not constitute a full condition report. A full condition report is a condition report with specific line-item damages and announced conditions on the report. CHOU will only reimburse up to $1000 for any undisclosed damages, including but not limited to, Hail Damage, Paint/Body Damage, Missing or Inoperable Equipment, etc. CHOU is not responsible for damages and/or missing equipment that is clearly identifiable in photos and/or listed as damage. The Buyer's responsibility is to review all announcements, vehicle representations in the condition report, and condition lights under which the vehicle is sold. Other rules and policies apply for vehicles sold/purchased through OVE or Smart Auction.

Post-Sale Inspections (PSI)

The BUYER is responsible for communicating the need for a Post-Sale Inspection within 3 hours of the vehicle purchase. In the case of an approved "IF" bid the PSI must be ordered within 3 hours of the time the bid is accepted and no later than 5:00pm on sale day. OVE sales must have a PSI requested within 24 hours of the OVE sale. Post-Sale Inspections (PSI) can only be requested on Green Light units. Vehicles sold "AS-IS" or under a Red Light are completely ineligible for a standard PSI. However, a standalone **7-Day Frame Check** may be purchased for $100 on any unit (including As-Is units) provided the purchase price is greater than $4,000. The auction will perform PSI on both CVT and manual transmission units if sold green light, however the transmission and transmission components are AS-IS, unless a safe test drive cannot be performed. CHOU stands behind PSI for 7 days or 14 days depending on the tier purchased, sale day is day 1. Buyers must request their own inspections or be added to automatic PSI. Inspection is based on NAAA Arbitration guidelines, CHOU's Auction Policy, and America's Auto Auction's Terms & Conditions. The buyer will be charged for an inspection regardless of a "Pass" or "Fail" outcome, due to the services provided as requested. It is the sole responsibility of the buyer to confirm the status of PSI. If the vehicle develops or the buyer finds an arbitrable condition with the vehicle within the duration of the PSI and notifies the Auction of the defect before expiration of the PSI, the auction will, upon verification, and at its option, repair or repurchase the vehicle. CHOU determines the repair cost using aftermarket, remanufactured, and used parts with a labor rate of $75/hour, per NAAA policy. A vehicle being returned for arbitration must have less than 200 additional miles to qualify for inspection. Vehicles should be returned to either the purchasing auction, or another NAAA auction at the discretion of the buyer within the inspection period for verification. It is strongly advised to return any unit for arbitration verification to an AAA location to expedite the verification process. Electric Vehicles (EVs) are not subject to PSI, including EVs, PHEVs, and Hybrid Vehicles. Units announced "Structural Alteration/Damage" are eligible for PSI, it is not a condition for failure and will not be protected under PSI guarantee. Exclusions: Seller-disclosed items for vehicles sold under green and yellow will not be inspected or guaranteed.

Ineligible Guidelines: The following vehicles are ineligible for PSI.

- Vehicles sold in the INOP sale lanes.
- Specialty units, Motorcycles, Powersports, Trailers, Watercraft, Recreational Vehicles etc.
- Heavy Equipment sales - Heavy Duty Trucks & Heavy Equipment categorized in Class A and B with Gross Vehicle Weight Rating (GVWR) of 26,000 pounds or heavier
- Kit Vehicles
- Modified Vehicles

- Note: Vehicle accessories over four years old do not qualify for arbitration or PSI coverage.
- Vehicles *at or over* 150,000 miles are strictly limited to the **$125 Sale Day Check** and are 100% barred from standard 7 or 14-day PSI coverage, unless an explicit written override is given by senior management
- Vehicles sold for $4,000 or less.
- Vehicles sold "AS-IS" (except for standalone 7-Day Frame Checks on units >$4,000)
- Vehicles with branded titles or defects that are eligible for a branded title, including, but not limited to: flood damage, salvage, rebuilt, lemon-law or buybacks, TMU, et al.
- Specific Ineligible Vehicles List: ALL Electric/Hybrid Vehicles, Exotic and/or Handmade Vehicles - including, but not limited to: AMC H1, Acura NSX, Aston Martin, Audi R8, Bentley, BMW Alpina, BMWi8, Bugatti, Dodge Demon, Ferrari, Fisker, Ford GT, Lamborghini, Lotus, Maserati, Maybach, Mercedes G Wagon, Mercedes SLR Models, Mitsubishi Lancer Evo, Nissan GT-R, Panoz, Porsche 911, Rolls-Royce, Subaru WRX/STI, DMC 12, McLaren, and Tesla.
- Auction reserves the right to deny any PSI request at its discretion.

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PSI PRICING

Under $10K	**$170**
$10K - $19,999	**$180**
$20K - $34,999	**$200**
$35K - $49,999	**$225**
$50K and above	**$250**
14-Day	**+$50**
High Mileage Protection	**+$75**

125k - 150k miles

All PSI's over 150k miles must be approved by management

Sale-Day Check	**$125**

Vehicles sold with a Green Light in excess of 150k Miles

Frame Check	**$100**

Standalone Frame Check (Valid on units sold with any light >$4000). Frame Checks are limited to a 7-day window.

*Ask Management for Any Additional Details

Effective April, 2026