

Farmington Auto Auction

1661 W. Murray Drive • P. O. Box 2931 • Farmington, NM 87401
Phone: (505)326-1005 • FAX: (505)326-1007

Rules & Policies

- A. Dealers only-dealers must register and be approved before transacting business. FAA reserves the right to discontinue doing business with any dealer without notice for any reason.
- B. Each buyer and seller agrees that all transactions shall be governed by the rules of the auction set forth herein and posted on the premises and as announced at the sale. All legal matters pertaining thereto shall be determined under the laws of the State of New Mexico. Such rules and policies are subject to change by the auction at any time without notice.
- C. All vehicles must cross the block for sale.
- D. Vehicles consigned for sale at FAA must be accurately declared. Vehicles not accurately declared or misrepresented in any way will be subject to arbitration and/or sale rejection, with the consignor liable for all expenses incurred including the FAA sale fee.
- E. In the event a guaranteed item does not work, or the buyer believes that the vehicle has been misrepresented, the buyer may request arbitration. All request for arbitration must be filed before payment, and/or by close of business at FAA on sale day. FAA will determine if the request for arbitration is valid and if it is, will resolve by repair, price adjustment or sale rejection.
- F. If consignor agrees to repair the problem and it can be done in a timely manner, the car remains sold. FAA will control all repairs.
- G. Repairs estimated to be less than \$200.00 by FAA are the responsibility of the buyer.
- H. No rejects after sale day.
- I. Auction arbitrator is final authority and must approve and/or reject.
- J. The following must be announced (including as is vehicles in excess of \$1,500.00) unless other terms and/or conditions are announced by the auctioneer day of sale.
1. Salvage Titles (all vehicles)
 2. Missing Emissions
 3. Flood Cars, Police Cars, Taxi Cabs
 4. Rebuilt Units
 5. Improper Alterations
 6. Cracked Blocks
 7. Accurate Mileage Disclosure (all vehicles)
 8. Frame Damage- any frame or sub-frame that is damaged, altered, or repaired causing vehicle to be unsafe or preventing alignment. (Buyer-Section J defects must be reported to FAA within seven (7) days.)
- K. Antifreeze is not the responsibility of FAA. Seller is responsible for antifreeze until unit is removed from auction premises.
- L. Auction does not guarantee: Year, model-trailers, boats, motorcycles, snowmobiles, homemade or modified vehicles: sold as is.
- M. All transactions must be approved by management.
- N. Sale is not final until payment has been made and title surrendered in accordance with these rules.
- O. Payment on all units must be concluded on sale day prior to leaving premises. Payment must be in the form of company check, draft, or cash, subject to auction approval.
- P. Do not remove keys from any vehicle on auction property. If keys need to be made, buyer or seller will be charged for them.
- Q. Consignor must surrender a negotiable title free of all liens or encumbrances, with related disclosure statements, to the office of FAA within 30 days as computed by FAA. If Consignor fails to do so and Buyer agrees to cancel the sale, Consignor shall reimburse FAA for the price paid and consequential damages incurred, including but not limited to sale fees, late title fees, transportation, reject, return expenses, repurchase expenses and reasonable attorney fees.
- In the event of Consignor's failure to surrender title in a timely manner, as stated above, the buyer may elect to cancel the sale and return the subject automobile any time following 30 days. If buyer wishes to cancel the sale in such circumstances, buyer shall notify FAA during regular business hours to that effect. All parties agree that FAA shall retain final authority to approve the return of a vehicle pursuant to this rule. The parties here to agree that the buyer's sole remedy in such circumstances shall be the right to cancel the sale as just stated and to be reimbursed for any transportation expenses actually incurred in effecting the return of the subject vehicle as approved by FAA. All parties agree that this provision encompasses both the duties and the remedies of the parties with respect to a late title, notwithstanding any other right or remedy which may be provided by law or in equity.
- R. Method of title transfer and related disclosure statements will be conducted as per New Mexico state law.
- S. Auction does not provide any type of insurance coverage on vehicles consigned for sale, storage, or transportation, on or removed from auction premises. Auction will not be responsible for fire, theft, vandalism, wind, hail, collision, or any other damage. The legal or equitable owner of vehicle agrees to assume all such risks arising from such ownership and shall provide insurance for same.
- T. Each buyer and seller authorizes FAA to act as his agent and trustee to purchase, sell, transport and store vehicles, transfer ownership thereof and execute any disclosure statements relating thereto. Each buyer and seller agrees to indemnify it, hold it harmless and defend it against all claims, loss damage, expense, and attorney fees that it may sustain by reason of acting as his agent and trustee, or by reason of default by either buyer or seller.
- U. The amount of the auction company'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 auction company'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 this transaction, and all liability of the auction company will expire and terminate on the first day of the fiftieth month after the date of this transaction.
- V. The auction company'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. The auction company's guaranty to the buyer shall be void if the purchase price for the vehicle is not paid by the buyer. The guaranty does not protect against defects in the title known to the buyer whether listed as exceptions to the title on the instrument or not. Whatever 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 the auction company, giving full particulars of the claim, and shall cooperated fully in defending any legal action and in taking any other steps to minimize possible loss. On payment of any claim under this guaranty the buyer will execute all necessary papers subrogating its right to recover against the seller, or other, to the auction company.
- 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 auction company.
- Time is of the essence of this agreement and any failure on the part of the buyer to notify the auction company of any such claim shall vitiate the auction company's liability under this guaranty. Likewise, failure of the buyer to cooperate in defending any such claim shall relieve the auction company of the liability under this guaranty.
- W. Firm/Close pricing structure. A FIRM price is within \$50 of low price stated at check-in. A CLOSE price is within \$200 of low price stated at check-in.

Signature

Date