



CARMAX AUCTION POLICIES

GENERAL

All motor vehicle dealers ("Dealer(s)") attending any CarMax auction agree to abide and be bound by these CarMax Auction Policies ("the Policies"). The Policies apply to all owners, partners, officers, employees, agents, and representatives (collectively referred to as "Authorized Agents") of Dealer. The term "Dealer," when used in the Policies, includes Authorized Agents. By registering, attending, bidding, and/or purchasing at any CarMax auction, Dealer accepts all terms and conditions contained in the Policies, including any subsequent amendments. The Policies will be provided to Dealer upon request and are available on carmaxauctions.com® and at all auction locations.

CarMax reserves the right, at its sole discretion, to interpret, apply, modify, or waive any and/or all terms and conditions in the Policies. A waiver by CarMax at any time shall not be deemed, implied, or interpreted to constitute a similar waiver at another time. If any portion of the Policies is determined by a court of competent jurisdiction to be null and void or unenforceable, such provision shall be deemed severed, and the remaining provisions shall remain in full force and effect.

This is a **DEALER-ONLY** auction. Dealer must be registered and approved by CarMax to attend. Dealer represents and warrants to CarMax the accuracy of all information contained in its Dealer Registration Application. All Dealers attending and conducting business at an auction must have reached the age of majority in the state where the auction occurs. All Dealers must be properly licensed with the state or country (for Dealers operating outside the United States) in which they do business. All purchases from CarMax are for re-sale only. Retail customers are not allowed. Any Dealer who attends with a retail customer will have his/her/its privileges revoked.

Authorized Agents must be identified in writing on the Dealer Registration Application and/or Addition of Dealer's Authorized Agent form. Dealer agrees that each Authorized Agent is duly authorized to buy vehicles on Dealer's behalf and to execute bills of sale,

checks or drafts, and assignments of title binding on Dealer. Authorization shall continue in full force and effect unless and until terminated by Dealer on a form provided to Dealer by CarMax. Termination will not be effective until receipt of such form by CarMax. In consideration of CarMax permitting such Authorized Agents to act in such capacity, Dealer hereby guarantees all transactions made by each Authorized Agent.

Dealer must provide proof of identification and/or state-issued salesperson or buyer's license (as required by law) at auction check-in. CarMax Dealer ID cards may be issued to Authorized Agents. The ID card is the property of CarMax and must be surrendered to CarMax upon request. By accepting the ID card, Dealer acknowledges and agrees to accept full responsibility and liability for all uses of the ID card and payment of all purchases made with it. All liability and obligations relating to use of the ID card shall continue until CarMax receives written notice with return of the ID card from Dealer advising that the Authorized Agent is not authorized to represent Dealer. At all times, CarMax reserves the right to: (i) refuse to accept or honor an ID card or gate pass; (ii) revoke an ID card or gate pass; (iii) deny any person or Dealer admission to the auction; or (iv) deny any person or Dealer the privilege to bid or purchase.

If Dealer provided fax numbers and/or email addresses to CarMax, Dealer agrees to receive any and all CarMax business-related materials through the fax numbers and/or email addresses provided.

Firearms of any kind are NOT permitted on CarMax property regardless of state concealed weapon laws. A Dealer in possession of a firearm on CarMax property will be denied admittance.

Dealer assumes any and all risks associated with attending auctions. CarMax shall have no liability for any claim, action, litigation, judgment, loss, penalty, injury, damage, suit, cost and/or expense (including legal fees), or any other liabilities of any other kind or character whatsoever (collectively "Losses") arising out of, resulting from, or in any way related to Dealer's (i) attendance at a CarMax auction or (ii) presence at the CarMax facility or on the auction premises. Dealer shall indemnify, defend, protect, and hold harmless CarMax, its affiliates, subsidiaries, officers, directors, employees, and agents from and against any Losses arising out of, resulting from, or related to, directly or indirectly, Dealer's and/or any of Dealer's Authorized Agents' or affiliates': (i) purchase of vehicles at a CarMax auction; (ii) breach of these Policies; and/or (iii) acts or omissions.

Any person caught tampering with a vehicle may be subject to immediate expulsion and suspension of auction privileges. CarMax reserves the right to review audio/video documentation to investigate suspected vehicle tampering.

Dealer has no right in or to CarMax's logos, trademarks, and/or trade names, and shall not use such without the prior written consent of CarMax.

VEHICLE PURCHASE

High bidder must sign the Wholesale Vehicle Purchase Agreement ("Bill of Sale") at the time of bid. The Bill of Sale must be signed by the Authorized Agent who successfully bids on the vehicle, not another Authorized Agent from the same Dealer. Dealer will follow Auctioneer's cadence on price. Any misunderstanding about price must be addressed at the drop of the Auctioneer's hammer (not following the sale of the vehicle). CarMax reserves the right to review any audio or video evidence to verify the accuracy of the sale.

PAYMENT

General: Full payment arrangements (cash, check, draft, floorplan, wire/ACH transfer) must be made within 48 hours of the sale (exceptions must be decided by the Auction Manager and/or Auction Accounting). Method of payment is subject to CarMax's approval. Failure to pay for vehicle(s) within the stated time frame may result in suspension of auction privileges. If Dealer purchases multiple vehicles and one or more vehicles are purchased "Title Absent," Dealer may pay for these vehicles separately. If Dealer pays for multiple vehicles, including those purchased "Title Absent," with a single check, Dealer agrees that CarMax may present the check for payment immediately upon receipt (see Check Acceptance Policy located in the Business Office). The maximum service charge allowable under applicable state law will be assessed on each returned check or draft, in addition to any other rights and remedies CarMax may have. CarMax may also suspend Dealer's check/draft writing privileges. Dealer consents and agrees that CarMax may collect on any returned check or draft via Automatic Clearing House (ACH) debit.

Draft Processing: If CarMax agrees to accept Dealer's title document drafts, drafts must be valid and Dealer agrees, to the extent permitted by law, to pay CarMax a draft fee in the amount, if any, shown on the Bill of Sale for each such title document draft, such fee to be added to the amount of the draft. With regard to each vehicle purchased by Dealer from CarMax, until CarMax has received payment in full of the purchase price thereof in collected funds, Dealer agrees to maintain such vehicle (i) free from liens and encumbrances, (ii) covered by insurance in an amount equal to at least the price for which it was purchased from CarMax, and (iii) at Dealer's address shown in the Bill of Sale for such vehicle. Dealer represents and warrants that the address shown in the Dealer Registration Application

is Dealer's executive office, and agrees to give CarMax 60 days prior written notice of any change in the location of such executive office. All drafts shall be three (3) day sight drafts. Dealer shall take any action required to facilitate draft processing and payment (including, but not limited to, review and approval of documents as required by any bank). All drafts shall warrant that sufficient collected funds exist or will exist at the time the draft is presented for payment. Dealer shall take all steps necessary to ensure that CarMax may present any draft through Dealer's bank at any time and be paid the amount stated on such draft, absent any lawful defense to payment thereof. Dealer agrees, to the extent permitted by law, to be responsible for all fees imposed by Dealer's bank in connection with honoring drafts. Dealer is responsible for, and shall indemnify, defend, and hold CarMax harmless from and against, all costs associated with draft processing, including, but not limited to, CarMax's administrative costs and fees charged by Dealer's bank, and such costs shall not be deducted from any amount owed CarMax.

Checks: To the extent permitted by applicable law, Dealer waives any right it may have to order or request a stop payment on any check given in payment for any vehicle(s) purchased from CarMax. If Dealer believes that it has the right to reject or to revoke acceptance of any vehicle, Dealer shall not order or request a stop payment, but rather shall follow the Refund/Return Policy as outlined below.

VEHICLE REMOVAL

Dealers may NOT drive vehicles until the auction has concluded and may NOT drive vehicles that they do not own without the permission of the rightful owner.

Vehicles must be removed from CarMax property within 48 hours of the sale (exceptions must be approved by the CarMax Auction Manager). If Dealer leaves any purchased vehicle(s) on CarMax property, any and all claims, demands, causes of action, at law or equity, or any other actions relating to the maintenance and condition of the vehicle(s) after purchase are waived. Failure to remove vehicle(s) within the stated time frame may result in suspension of auction privileges. Vehicles left on CarMax property beyond 48 hours without consent are subject to removal at Dealer's expense and may be subject to a \$50 per day storage fee. All vehicles must have a proper gate pass prior to being removed. All vehicles departing are subject to trunk and interior inspections by auction officials, and/or federal, state, and local law enforcement authorities.

REFUND/RETURN POLICY

ALL VEHICLES ARE SOLD AS-IS. CarMax will announce certain conditions as specified below. Dealer is obligated to listen/watch for condition announcements and to understand those condition announcements. Any and all refund/adjustment decisions will be made by the CarMax Purchasing Manager or Auction Manager in his/her sole and absolute discretion and shall be final. This Refund/Return policy shall be the sole and exclusive remedy of Dealer and Authorized Agents. All other potential claims for damages, including but not limited to, incidental, consequential, and exemplary damages and lost profits are waived. Refunds will be limited to the total purchase price shown on the Bill of Sale. CarMax will only accept return of a vehicle if it is in the same condition as when it was sold. CarMax may deny any request if the vehicle in question appears to have been tampered with by Dealer.

CarMax will consider requests for refunds/adjustments in the following circumstances only:

1) Dealer must request a refund/return or adjustment for the following prior to the vehicle leaving the auction premises. Vehicles released to Dealer after seven (7) days will not be considered for any of the following:

- a) **Unannounced major transmission defects.** Major transmission defects (i.e., missing gears, not engaging, not shifting, and inoperable clutches) will be announced as "Transmission Needs Service."
- b) **Unannounced major transfer case defects.** Major transfer case defects (i.e., not engaging) will be announced as "4x4 Needs Service."
- c) **Catalytic Converters.** Absence of catalytic converter(s) on any vehicle originally equipped with such equipment.
- d) **Unannounced major engine defects.** Major engine defects (i.e., lower engine noise, cracked block, inoperable turbos, and blown head gaskets) will be announced as "Engine Needs Service." Upper end noise, valve train noise, or lifter noise will not be considered a major engine defect.
- e) **Unannounced major differential defects.** Major differential defects will be announced as "Differential Needs Service."
- f) **Unannounced absence of air conditioning.** Vehicles that are not equipped with air conditioning will be announced if the vehicle is a model of the current calendar year or newer.

- g) **Logo/decal discrepancies.** Discrepancies between a vehicle's features or equipment as represented on the vehicle's decals or logos and those actually present on the vehicle.

No refunds/adjustments will be given for any of the above if a vehicle does not run and/or is pushed through the auction and sold without representation.

2) Dealer has seven (7) days from the date of the auction to request a refund/return or adjustment for the following:

- a) **Unannounced frame damage.** Vehicles with frame/structural damage as defined by the NAAA will be announced as "frame" or "possible frame."
- b) **Unannounced flood damage.** Vehicles with flood damage or flood damage history as defined by the NAAA will be announced as "flood" or "possible flood."
- c) **Unannounced voided warranties, manufacturer buy backs, previous municipal and government vehicles, taxis/limousines, rental vehicles, fleet vehicles, police vehicles, driver's education vehicles, Canadian, and Grey Market vehicles.** Applies to vehicles with any of the preceding history or any other unannounced vehicle disclosures required by specific state law.

NOTE: Electronic Vehicle Data Histories "EVDH" (i.e., Carfax, AutoCheck, NICB, etc.) will not be considered as the sole means of resolution for any of the above.

- 3) **Failure to deliver title.** Receipt of title is guaranteed within 30 days (or the maximum allowable under applicable state law, if any) for those vehicles purchased "Title Absent." The only remedy under this guarantee will be a refund of the total purchase price shown on the Bill of Sale. In order to return a vehicle, Dealer must notify the CarMax Business Office Manager or the Auction Manager at the location where the vehicle was purchased before the title is received by CarMax. If the title is received by CarMax before Dealer provides notice, the sale will not be cancelled.
- 4) **Unannounced brands or title errors.** Unannounced title brands (i.e., existing Salvage or Not Actual Miles brands) and/or title errors must be reported to the CarMax Business Office Manager or the Auction Manager within seven (7) days of receipt of title. All vehicles sold with a "clean, non-branded" title will be guaranteed against any brand noted on any prior certificate of title for a period of four (4) years from the date of sale. The refund shall

be reduced by 2% per month from the purchase price showing on the Bill of Sale. This guarantee shall expire after 48 months from the date of sale. Dealer agrees to provide CarMax with a reasonable period of time to resolve any title error/issue before demanding a refund.

- 5) **Unannounced salvage, total loss, and theft vehicles without brands.** Vehicles with known salvage, total loss, or theft recovery history without title brands will be announced as such. Dealer has 90 days from the date of sale to report unannounced salvage, total loss, or theft recovery history to the CarMax Purchasing Manager or Auction Manager. Supporting documentation must be provided.
- 6) **Unannounced odometer discrepancies/broken odometers.** Dealer is required, prior to settlement, to verify the odometer reading on the Bill of Sale against the odometer reading on the vehicle. Unannounced replacement odometers that are indicated by an odometer replacement sticker, odometer discrepancies between the Bill of Sale and the odometer reading, and/or unannounced broken/inoperable odometers must be brought to the CarMax Purchasing Manager's or Auction Manager's attention before the vehicle leaves the premises. If Dealer discovers an unannounced replacement odometer after leaving the premises, Dealer must provide documentation other than an odometer replacement sticker within seven (7) days of discovery of the discrepancy and within four (4) years of the date of sale. Refund shall not exceed the total purchase price of the vehicle shown on the Bill of Sale. EVDH will not be considered as the sole means of resolution for mileage discrepancies. Information provided by these reports must be resolved by the Dealer through the EVDH supplier. Grey Market vehicles, and Canadian vehicles that have been properly converted to display mileage and were announced as Grey Market or Canadian vehicles, will not be considered odometer discrepancies. No vehicle will be considered for return due to odometer discrepancies or inoperable or broken odometers if designated "Exempt," "NAM," "Not Actual Miles," "Exceeds Mechanical Limits," "EML," "Possible Odometer Discrepancy per AutoCheck," and/or "Odometer Inop" on the odometer disclosure, marketing materials, run list, title reassignment, and/or Bill of Sale. These announcements indicate to the Dealer that there is either (a) a known issue with the odometer reading, (b) no obligation for CarMax to disclose mileage because of a vehicle's age or class, or (c) a third-party EVDH report of a mileage issue that is unsupported by physical inspection, title history, and/or customer disclosure.

- 7) **VIN discrepancies/OBD systems.** Dealer is required, prior to settlement, to verify the VIN on the Bill of Sale against the VIN on the vehicle. Any discrepancies must be brought to the CarMax Purchasing Manager's or Auction Manager's attention before the vehicle leaves the premises. Vehicles with VIN discrepancies between the VIN plates and the vehicle's OBD system, and/or vehicles where law enforcement confirmed that the vehicle was reported as stolen (and subsequently not recovered) before the date of auction are eligible for refund provided that law enforcement has impounded the vehicle and that Dealer reports the discrepancy and/or stolen vehicle status to the CarMax Purchasing Manager or Auction Manager within seven (7) days of discovery. Dealer must provide information sufficient to CarMax to support this claim.

Requests for refunds will not be considered for any other reason, including, without limitation:

- 1) Dash warning lights of any kind;
- 2) Battery failure on hybrid and/or electric vehicles unless covered by manufacturer's warranty;
- 3) Visible defects, including suspension defects;
- 4) Noises or conditions that are related to general maintenance and wearable items; and
- 5) Mechanical problems or defects in or damage to the vehicle of any kind (such as missing or inoperative safety equipment) other than as expressly and specifically listed above.

All announcements and/or descriptions of any vehicle, express or implied, are based on CarMax's actual knowledge of the vehicle. CarMax assumes no duty to inspect or investigate the condition of any vehicle. Dealer agrees that it will conduct all inspections or investigations of the vehicle desired by it prior to the vehicle leaving the premises. Except as specifically provided for above, Dealer must notify CarMax of any unsatisfactory conditions or defects in the vehicle it purchased prior to the vehicle leaving the premises.

For more information go to
carmaxauctions.com[®]

