



Terms and Conditions

Policy Amendment 18 - August 12, 2024

This is a binding legal agreement between you, your business, your representatives (collectively, "you" "your" or "Customer") and EBlock Corporation, a Delaware Corporation ("we", "our" or "EBlock"). These terms and conditions (the "Terms" or "Terms and Conditions") govern your access to, and use of, the EBlock Auction Platform and our related products and services and apply to every transaction between Buyer and Seller facilitated by EBlock. By using or accessing the EBlock system, products, or services, you expressly agree to be legally bound by the Terms, as updated, or amended by EBlock from time to time. Lack of knowledge concerning these Terms will not release Buyers, Sellers, and their representatives from their obligations to abide by them. EBlock reserves the right to amend the Terms at any time by posting the revised Terms and Conditions on the EBlock website at www.eblock.com.

It shall be the responsibility of all Buyers, Sellers, and their representatives to review and be aware of these Terms, and any other rules of EBlock, including any revisions thereto, before doing business with EBlock. Buyers, Sellers, and their representatives who do not comply with these Terms and other rules of EBlock, may be barred from doing business with EBlock immediately without notice.

Definitions

All capitalized terms and otherwise defined words shall have the meaning set forth below:

- **"Arbitration/Claim"** – means the dispute resolution process as described in the Arbitration section of these Terms and Conditions.
- **"Arbitrator/Sales Resolution Agent"** – means an individual or individuals appointed by EBlock to facilitate the resolution of Arbitration claims between Buyer and Seller.
- **"Buyer"** – means a customer who offers to bid, offers to purchase, or purchases a Vehicle or other asset through the EBlock platform.
- **"Auction Platform"** – means the EBlock online auction platform including all its associated products and services.
- **"Autocheck"** – a Autocheck report is a third party vehicle history report.
- **"Condition Report"** – means a report documenting the condition of a Vehicle wherein any specific required disclosures are made available to prospective Buyers. The Condition Report must follow the Arbitration policies and disclosure requirements of these Terms and must give the Buyer a reasonable understanding as to the true Condition of the Vehicle offered for sale.
- **"Customer"** – means any person or business using or accessing the EBlock Auction Platform, LiveLanes™ or offering Vehicles for sale or bidding or purchasing a Vehicle at an EBlock Physical Auction.
- **"Dealer"** – means an individual or a company that is duly licensed to act as a motor vehicle dealer in

the jurisdiction in which their business is located. Dealers can be authorized to act as Buyers and Sellers on the EBlock Auction Platform, LiveLanes™ or at EBlock Physical Auction.

- **“Disclosure”** – means the provision of details regarding material facts, defects or damages of a specific Vehicle as documented in a Vehicle Condition Report. Required Disclosures are set forth in the Arbitration Policy.
- **“LiveLanes™”** – means LiveLanes™ tm, an EBlock trademarked technology, combining digital and physical auction, allowing bidding on and selling of Vehicles through Eblock software solution both online and at the Physical Auction
- **“Material Fact”** – means any fact about a Vehicle that, if disclosed, could reasonably be expected to influence the decision of a reasonable purchaser and/or would significantly affect the value of a Vehicle.
- **“Fees”** – means charges applied to Customer accounts for use of, and access to, the EBlock Auction Platform and for Services. You agree that EBlock may deduct its fees and any other amounts owed to EBlock from any amounts payable to you, including any sale proceeds.
- **“Physical Auction”**– means an EBlock action where Vehicles offered for sale are physically driving across the auction block.
- **“Reserve Price”** – means the price established by the Seller at which a Vehicle will be sold if bidding is completed, and the established price is met or exceeded. If the Reserve Price is not met at the completion of the bidding, the highest bidder automatically goes into an "IF BID" status where the Seller can either accept or reject the high bid or enter negotiations with the Buyer. The IF BID's will be resolved by 10 AM the morning following the sale. The opportunity for Sellers and Buyers to negotiate price on vehicles in If Bid will close by 10:00am (local time) the morning following the sale. If an agreement hasn't been reached by that time EBlock may release either or both parties from the transaction at their request. The Vehicle may be moved to a "No Sale" status.
- **“Sale Price”** – means the top bid amount from a buyer where the Reserve Price has been met or exceeded or where the Seller has accepted the top bid and has approved the sale of the Vehicle. Sale Price does not include additional fees or applicable taxes.
- **“Seller”** – means a customer who offers a Vehicle for sale or who sells a Vehicle on the Auction Platform, LiveLanes™ or at a Physical Auction.
- **“Services”** – means the tools and services provided by EBlock to facilitate the sale of Vehicles, including any associated products and services provided to Customers.
- **“Terms of Use”** – means these Terms, Arbitration Policies, the Privacy Policy, the Cookie Policy, and any and all other policies posted on the EBlock website at www.EBlock.com and all changes and additions thereto that EBlock may make from time to time.
- **“Title Attached”** – means when a vehicle is sold as “title attached,” and the title is not available on the day of sale.
- **“Vehicle”** – means any automobile, truck or sport utility Vehicle listed on the Auction Platform. Vehicle may also include, but are not limited to, recreational Vehicles, motorcycles, trailers, boats, and off-road sport Vehicles.

General Terms and Conditions

- 1. Customer's Eligibility.** EBlock Auction Platform is a dealer-to-dealer auction tool, which requires all users of the services to hold a valid dealer/salesperson license in their respective state. You represent and warrant that you are a licensed retail or wholesale dealer of Vehicles and/or a business that is otherwise legally eligible to purchase or sell Vehicles at wholesale auto auctions. EBlock reserves the right to refuse access to the EBlock Auction Platform or any Services to anyone who breaches these Terms and Conditions or otherwise interferes with or violates EBlock's rights or the rights of others.
- 2. Data.** You agree that all information and records, whether oral, written, visual, electronic, digital, or tangible transmitted, received or stored on the EBlock Auction Platform or using the systems, equipment, computers, servers, or premises of EBlock (collectively "Data") is the property of EBlock. You agree that we have the right to receive, use, disseminate, control access to, aggregate, modify, package, derive benefit from, remove, destroy, or sell Data in whole or in part.
- 3. Vehicle History Reports.** EBlock provides reporting integration for Buyers and Sellers. With or without this integration, Sellers are bound to properly disclose all Material Facts about a Vehicle they are offering for sale. Sellers are responsible to ensure all Material Facts are disclosed in the Condition Report. EBlock is not responsible for any inaccurate information provided by reports or any Vehicle History provider. Vehicle history reports are not binding for Arbitration.
- 4. Compliance.** You represent and warrant to EBlock that: (a) you are in compliance with and shall comply with all laws and regulations that apply to your business; (b) you have secured and will maintain all permits, licenses, and governmental approvals required to operate your business including, without limitation, as required to access and participate in the EBlock Auction Platform; and that (c) by using the EBlock Auction Platform, or LiveLanes™, or offering Vehicles for sale or bidding or purchasing a Vehicle at an EBlock Physical Auction you have not violated any applicable laws..
- 5. EBlock Auction Platform:** EBlock provides an Auction Platform to facilitate wholesale automobile transactions. The responsibility for completion of such transaction's rests solely on the Buyer and Seller. EBlock does reserve the right to suspend and remove any delinquent Buyers or Sellers from the Auction Platform.
- 6. Username/Password.** Every Action Platform or LiveLanes™ Customer may choose their username and password. Sharing or lending your username and password is strictly prohibited. You are responsible for maintaining the confidentiality and security of the username and password issued. You will be liable and responsible for all actions, omissions, failures to act, and/or transactions conducted with your username and password. Unauthorized use of your username or password must be reported immediately to EBlock.
- 7. Dealer Information.** Dealer must notify EBlock, in writing, of any changes in authorized representatives or ownership structure. Failure to notify EBlock will not release Dealer from its obligations. Dealer is responsible for all transactions conducted by any of its representatives.
- 8. Registered Motor Vehicle Dealer/Salesperson.** Every Customer using the Auction Platform, LiveLanes™ or transacting in Vehicles at a Physical Auction, must be a registered Dealer or an authorized representative of a registered Dealer. In the event that a customer's license has expired or changed, it is the sole responsibility of the Customer to inform EBlock of such changes or

expiration..

9. **Insurance Coverage.** EBlock does not provide insurance coverage for any Vehicles purchased or sold on the Auction Platform, LiveLanes™ or at a Physical Auction, except as otherwise expressly provided in these Terms. Every Customer is responsible to ensure it holds a valid garage insurance policy in accordance with the laws of the United States.
10. **Liability and Risk.** Under no circumstances shall EBlock have any liability to Customer for any direct, consequential (including lost profits), exemplary, incidental, indirect or special damages or costs resulting from any claim (whether in contract, tort, equity, negligence, or strict liability) related to or arising out of the Customer's attending, using or accessing Auction Platform, LiveLanes™, Physical Auction or the Services, including, but not limited to the Customers' use or inability to use, or performance or nonperformance of the Auction Platform, LiveLanes™, Physical Auction or Services, or any component thereof, even if EBlock have been advised of the possibility of such damages. EBlock is a software service provider and is not a party to transactions conducted on the Auction Platform or LiveLanes™ between Buyers and Sellers. EBlock does not own or take title to Vehicles listed or sold on the Auction Platform, LiveLanes™ or sold at a Physical Auction.
11. **Limitations of Liability.** Without limiting or amending the provisions of Section 10 above, the liability of EBlock arising out of or related to these Terms and Conditions, the Auction Platform, LiveLanes™, Physical Auction, or Services or any transaction or service (whether in contract, tort, equity, negligence, or strict liability) shall be limited to actual direct damages incurred by a Customer and the aggregate liability of EBlock for such actual damages shall not exceed, under any circumstances, the fees paid by such Customer to EBlock in respect of the transaction or service or \$800, whichever is less. Multiple claims shall not expand these limitations.
12. **Indemnity.** Customer hereby agrees to indemnify, defend and save harmless EBlock, its affiliates and their respective officers, directors and agents from and against all liabilities, losses, suits, claims, demands, costs, fines and actions of any kind or nature whatsoever to which EBlock may become liable, by reason of (i) a Customer's breach of the Terms and Conditions or any other obligation hereunder; (ii) a Customer's negligence or willful misconduct; (iii) transportation losses; (iv) any personal injury or property damage that Customer or any person for whom Customer is responsible causes; or (v) Customer's use of the EBlock Auction Platform, LiveLanes™, Physical Auction or any related services or products; or (vi) on any EBlock facility.
13. **Warranties.** EBlock will not be liable to either the Buyer or Seller for any defects of any Vehicle. EBlock does not make any guarantees or warranties with respect to any Vehicle offered for sale on the Auction Platform, LiveLanes™ or at a Physical Auction.
14. **Routed Export Transactions.** If a Vehicle is to be exported, Buyer is responsible for verifying that it satisfies all export requirements of the originating country and all import requirements of the destination country. EBlock is not the importer or exporter and is not responsible for supply export or import documentation.
15. **Investigations.** By doing business on the Auction Platform, you authorize EBlock to comply with requests from governmental authorities for information and/or documents concerning you and your business if, and when, reasonable requests from such authorities arise.
16. **No Interference.** All Data submitted by you through the Auction Platform and related services will be free from malicious software, including viruses, worms, Trojans, software that bypasses normal

authentication mechanisms or exploits or attacks software security or any software or data designed to disable, modify, or damage the EBlock Auction Platform and related services. You will not use any device, software, or routine to interfere or attempt to interfere with the proper working of the Auction Platform and related services. You will not take any action that imposes an unreasonably or disproportionately large load on EBlock's information technology infrastructure.

17. **Listing, Bidding and Sale.** Each Seller will provide all required Disclosures and all other required information to list a Vehicle for Sale on the Auction Platform. When a Vehicle is listed for Sale on the Auction Platform, it is the Seller's responsibility to ensure the Vehicle is available for sale and has not been sold elsewhere. In the event a Vehicle has been sold elsewhere, the Seller may be responsible to pay all Fees that would have been due and payable had such Vehicle been sold on the Auction Platform, LiveLanes™ or at a Physical Auction. A Buyer may bid on a Vehicle that is listed for Sale by entering the dollar amount he/she wishes to bid. Once a bid is submitted, it cannot be withdrawn. All bids are final and binding.
18. **Electronic Signature.** Customer does hereby duly appoint EBlock through its authorized employees, agents and third party subcontractors, to act as its ATTORNEY-IN-FACT to sign all papers and documents that may be necessary pertaining to the sale and subsequent title transfer of the Vehicles and/or otherwise offered for Sale by Customer from time to time by means of the Auction Platform including without limitation, any title, certificate of title, title transfer document, bill of sale, odometer disclosure statement, certificate of origin or reassignment of odometer disclosure statements as required by federal law (collectively, "Documents"). You will permit EBlock to capture your signature in electronic or digital form. You hereby authorize EBlock to apply your electronic signature to Documents necessary or incidental to your use of Services. You agree that your electronic signature is intended to authenticate the document to which it is applied and shall have the same force and effect as an original handwritten signature.
19. **Fees.** In consideration of access to the EBlock's Auction Platform and Services, you agree to pay EBlock all Fees assessed by EBlock for access to the Auction Platform and Services. Fees charged by EBlock such as buying, selling, Arbitration and Vehicle Inspection Fees will be billed weekly and are due and payable upon receipt of invoice. EBlock, at its sole discretion, reserves the right to apply a penalty for late payments, late titles and transport costs arising from late Vehicle collection. If Customer fails to pay the total purchase amount within two (2) business days, on the 5th (5) business day from the Available Date, EBlock may charge a late payment fee of \$250 per Vehicle, and/or charge interest on any past due amounts at the rate of one and one half (1.5%) percent per month or the maximum rate allowed by law, whichever is less. Upon the 10th business day, EBlock reserves the right to resell the abandoned unit at their discretion and the buyer will pay the bid difference. Accounts overdue may be subject to loss of access to EBlock's Auction Platform and collection by a third party. Fees are subject to change without notice.
20. **Dealer Application.** Having made an application to bid and buy through the EBlock Auction Platform, Dealer will pay for any purchases with certified funds until the application has been processed and Dealer has been notified by EBlock Corporation that payment with checks or ACH transaction has been approved. Dealer hereby authorizes EBlock to obtain written bank/credit reports for all owners of the Dealer at any time until this authorization is terminated in writing by the Dealer. In submitting an application, Dealer makes representations that are certified correct for the purpose of securing credit and authorizes EBlock Corporation to gather whatever credit and employment history considered necessary and appropriate and for EBlock Corporation to deliver such information concerning the application to others. EBlock Corporation will retain the Dealer

application, whether it is approved, and it is the Dealer's responsibility to notify EBlock Corporation of any changes of name, address, employment, or other material information. Dealer authorizes the disclosure and release of all personal and/or business credit-related information by EBlock Corporation or any third party including, but not limited to, credit, financial, salary, banking, debt, and tax information and materials to any of EBlock Corporation's affiliates including EBlock Corporation Finance, as required, until further notice. Dealer authorizes EBlock Corporation to contact any third parties and to disclose information, including information contained in the application, for the purpose, among other things, of obtaining inter-creditor agreements and perfecting EBlock Corporation's security interest. Dealer understands that EBlock Corporation reserves the right to request additional Dealer documentation based on purchase/payment history, at any time and at its discretion to continue account activity. Dealer hereby agrees to and will be bound by, all current EBlock terms, policies, and procedures as outlined on the links available on the pages of the Auction Platform website, EBlock Terms that can be accessed at www.eblock.com/en-us/policies.

21. Vehicle Payment Terms. Customer shall pay EBlock the total purchase amount, inclusive of all Fees, within two (2) business days from the date the Vehicle is available (the "Available Date"), (the "Payment Due Date"). Payment is to be made by wire transfer or electronic funds transfer in U.S. dollars or such other payment method approved by EBlock, who reserves the right to specify the type of payment instrument it will accept from Customer. If Customer fails to pay Fees or other amounts owing when due to EBlock, then EBlock is entitled to immediately offset the amount owed by Customer from any funds owing by EBlock to Customer. In addition, if Customer fails to pay the total purchase amount within five (5) business days from the Available Date, EBlock may: (a) withdraw all Arbitration rights on the Vehicle; (b) retain possession of any Vehicles owned or controlled by Customer; (c) withhold title documents until all amounts owed have been paid; (d) cancel the sale transaction; (e) charge a late payment fee of \$250 per Vehicle, and/or charge interest on any past due amounts at the rate of one and one half (1.5%) percent per month or the maximum rate allowed by law, whichever is less; and/or (f) pursue any other remedy or relief permitted by law. Any payment instrument withdrawn, rejected, or returned for non-sufficient funds ("NSF") must be settled and replaced immediately by certified check or bank draft. NSF transactions will be subject to a \$100 service charge, or the maximum amount allowed by law, whichever is less, and shall be immediately due and payable. EBlock will suspend the customer's account until full payment and a \$100 service charge is received. If a stop payment is issued for any reason, the account is subject to permanent suspension. EBlock will place a lien on the subject vehicle(s) which will be removed once full payment is received. In addition to the service charge, Customer agrees to pay all costs including, without limitation, legal fees and disbursements, court costs and other expenses reasonably incurred by EBlock to collect any monies owed by Customer. If Customer fails to pay the total purchase amount within ten (10) calendar days from the Available Date, EBlock will: (a) lock Customer's account prohibiting the further purchase and/or sale of Vehicles; and (b) relist and sell the Vehicle in the EBlock Auction where Customer is fully responsible for any loss on resale as well as the \$250 late payment fee. EBlock, at its sole discretion, may require Customer to enroll in the ACH HOLD Program, whereby Vehicle total purchase amounts will be automatically deducted from Customer's bank account same day of purchase and the vehicle will be held for up to 3 days. EBlock Corporation hereby retains, and the Dealer hereby grants, a security interest in all Vehicles sold to the Dealer through the Auction Platform, to guarantee payment of all sums due on the account. The venue of any action shall be in the Superior Courts of the County of Chittenden, VT, and the law of the State of Vermont shall

govern. EBlock Corporation reserves the right to repossess any vehicle that the Dealer presents NSF payment or non-payment of vehicle.

22. **Terms of Use.** EBlock provides an Auction Platform ("Services") to enable the auction of Vehicles ("Vehicles") to which it does not own or ever take title to. The liability for risk of loss thereby rests on the Seller and the Buyer. Buyer and Seller each agree that they are making use of EBlock's Services at their own risk and that the Services are being provided to them on an "AS IS" and "AS AVAILABLE" basis. Accordingly, to the extent permitted by applicable law, we exclude all express or implied warranties, terms and conditions including, but not limited to, implied warranties of merchantability, fitness for a particular purpose, and non-infringement regarding the Vehicles and the Services. Seller and Buyer agree to abide by all EBlock policies as posted on EBlock's premises, website, and any other manner by which Seller and Buyer may sell and purchase Vehicles through EBlock. In addition, Seller and Buyer agree to abide by all policy decisions of EBlock. The Seller covenants with the Buyer that it is the true and lawful owner of the described vehicle, that the same is free from liens and encumbrances, that it has good right and full power to sell and transfer title to the same, and that it will warrant and defend the same against the lawful claims and demands of all persons, whomsoever. If Seller is a corporation, the officers of said corporation do hereby individually and personally guarantee performance of the corporation's warranties. Seller agrees that any amounts owing to EBlock may be deducted from any amounts due to Seller. Buyer and Seller agree to hold EBlock, its officers, directors, agents and employees harmless and indemnify it from any liability, loss, costs, damage or expense (including, but not limited to, loss of money, goodwill or reputation, profits, other intangible losses, or any special, indirect, or consequential damages), including attorney's fees resulting directly or indirectly from the Services or the purchase or sale of Vehicles including, but not limited to, the following facts or circumstances:

- a. Seller or Buyer's use of or inability to use the Services;
- b. the purchase or sale of any Vehicle;
- c. the content, actions, or inactions of third parties, including false, inaccurate, or incomplete descriptions of Vehicles, including but not limited to odometer mileage,
- d. the failure of any Vehicle to be suitable for any particular purpose;
- e. accident, injury, or loss of life resulting from the use of any Vehicle, whether such accident, injury, or loss was the result of inaccurate or false Vehicle description, or not;
- f. any adverse condition or defect with respect to any Vehicle;
- g. any guidance provided by EBlock;
- h. any loss of business related to the Services.

The above disclaimers and exclusions are not applicable where prohibited by federal, state, or local laws. Regardless of the above, if EBlock is found liable for any reason, EBlock's liability to Buyer or Seller or any third-party entity is limited to the lesser of (a) the amount of fees paid to EBlock by the charging party, in the facilitation of the sale or purchase of the Vehicle, or (b) \$1,000. If EBlock is forced to make a claim against either the Seller or Buyer or an agent or employee of Seller or Buyer for an insurance carrier insuring or bonding Seller or Buyer, then EBlock shall recover, in addition to the amount of the claim and the costs incurred in the claim, a reasonable attorney's fee and costs in collecting the claim, regardless of whether a lawsuit is filed, including appellate fees and costs, interest shall accrue on the unpaid balance of any such claim at the rate of 1.5% per

month, or the maximum amount allowable by law, whichever is less.

Vehicles purchased on the Auction Platform are for resale in the form of tangible personal property in the regular course of business and is the sort usually purchased by the Buyer for resale. In the event that the property is used for any purpose other than for resale, Buyer will pay direct to the proper taxing authorities such sale of use tax as may then be accrued and become payable. The Buyer further certifies that it holds a retail sales tax registration certificate, license, or other permit, issued by the sales tax authority of this state and county if applicable.

EBlock Reserves the Right to Void Any Transaction at Any Time.

23. **Liens on Vehicles.** Sellers are responsible to ensure that all vehicles sold on the Auction Platform are free of liens and encumbrances. If a lien has been paid out but is still listed on the lien registration system, the Seller must provide a notarized proof of lien release in the form of a letter from the secured party. Sellers have a maximum of 7 calendar days to provide a notarized proof of lien release. If a Seller cannot provide proof of lien release within 7 calendar days, the Buyer may file an Arbitration claim with EBlock at which time a 2-business day grace period will be applied. Any decision to cancel the sale or to extend the 7-day deadline or 2-day grace period will be at the sole discretion of EBlock. In the event a sale is canceled as the result of an open and unreleased lien or failure to produce a Title, the Seller will be held responsible for all reasonable expenses incurred by the Buyer. The EBlock Arbitrator will determine what reasonable expenses are eligible for reimbursement from the Seller. For vehicles listed as Title Attached, the seller has 30 calendar days (45 for CA Dealers) to produce a transferable title to the EBlock office or the buyer may Arbitrate, at which time a 2-business day grace period will be applied. The same time frame will be applied for lien releases for vehicles declared Title Attached.
24. **Seller Content.** The Seller is solely responsible for all content it posts on the Auction Platform. EBlock shall not be responsible or liable to any Customer or third party for damages or costs resulting from such content. EBlock reserves the right to modify, refuse or remove any and all Seller content at its sole discretion. The Seller represents that all Seller content is accurate and truthful and in compliance with all applicable U.S. laws.
25. **Sales Taxes.** Vehicles sold on the Auction Platform are subject to all applicable local, state, and federal taxes. These taxes are based on location of supply and not on the location of the Buyer. The Buyer is solely responsible for these taxes as documented on the bill of sale from the Seller.
26. **Sale Cancellation.** EBlock may, in its sole discretion, cancel any sale transacted on the EBlock Auction Platform. Reasons for cancellation include, but are not limited to, errors or omissions in vehicle descriptions or disclosures, pricing errors, title problems or any other matter deemed to be relevant by EBlock. When a Vehicle is listed for Sale on the Auction Platform, it is the Seller's responsibility to ensure the Vehicle is available for sale and has not been sold elsewhere. If a double sale has occurred which results in a sale cancellation, the Seller will be charged a \$500 cancellation fee and may be responsible to pay all Fees that would have been due and payable had such Vehicle been sold on the Auction Platform. The buyer will receive compensation of \$400.

Seller Obligations

27. **Required Disclosure.** Every Seller shall disclose all Material Facts relating to the history and condition of each Vehicle listed for Sale on the Auction Platform. It is the Seller's sole

responsibility to ensure accuracy for all Vehicles listed. EBlock's Arbitration Policy, included herein, specifically requires Seller Disclosures in compliance with the NAAA Arbitration Policy. It is the Seller's obligation to fairly represent its Vehicle and to correct any errors made regarding disclosed conditions prior to launching a Vehicle for sale. Seller is responsible for the accuracy and completeness of all Disclosures regardless of whether Seller has relied on EBlock or third-party resources (e.g., Inspection Company, vehicle listing service, electronic data vehicle history report, etc.). In addition to the Disclosures required under the NAAA Arbitration Policy, Sellers must disclose the following:

- a. Any hidden damage, including structural, flood, or damage that an inspector could not have found without removing parts or putting the unit on a lift.
- b. Branded titles and mileage discrepancies affecting a vehicle's value. Some examples include but are not limited to; Salvage, Not Actual Miles (NAM), Police, Taxi, Rental, Kit Car, Lemon Law Buy Back, Theft Recovery, Flood/Fire history. (Reference the NAAA policies)
- c. Misrepresentation: any information that is determined to be not an accurate representation or could be misleading to a buyer, intentional or not.

28. Vehicle Identification Number. All vehicles offered for sale on the Auction Platform must have a visible, intact, and properly affixed public VIN plate or a replacement VIN plate in accordance with applicable State and Federal regulatory requirements. If a VIN has been replaced, the Seller must provide a Disclosure to that effect.

29. Registrations/Titles.

- a. Title In Hand: The Seller has a maximum of 7 calendar days to provide the registration/title document to the Buyer. If the Buyer has not received the /title within that time frame, the Buyer must contact EBlock at which time a 48-hour grace period will be applied. If the Seller cannot produce the title within the grace period, the Buyer has a right to Arbitrate the Vehicle. Any decision to cancel the sale or extend the grace period will be at the sole discretion of EBlock. If a sale is canceled under these circumstances, the Seller will be responsible for reasonable expenses incurred by the Buyer as approved by EBlock.
- b. Title Attached: Seller has a maximum of 30 calendar days (45 for California Dealers) to produce a transferable title to the EBlock office. If the Buyer has not received the title within that time frame, the Buyer must contact EBlock. At which time a 2 business day grace period will be applied. If the Seller cannot produce the title within the grace period, the Buyer has a right to Arbitrate the Vehicle.
- c. Title documents from all 50 states are acceptable, providing they are accompanied by documents necessary to register the Vehicle in the state of purchase.
- d. All current year penalties and current year fees associated with expired registration must be paid by Seller regardless of buyer's location, unless the penalties and fees are announced, at which point they will be the responsibility of the Buyer. Current year refers to the year the vehicle is sold.
- e. The Seller guarantees titles provided to EBlock are marketable and free and clear of all liens and encumbrances. For California, all late titles over 45 days are subject to a sale being canceled. For all other states, all late titles over 30 days are subject to a sale being canceled.
- f. All titles that exceed 30 days (45 for California) will be charged a \$75 late title fee. An additional

\$75 will be charged every 30 days thereafter.

If, after 180 calendar days, Seller has not produced negotiable title and Buyer has not returned the vehicle, the Auction will have the right to cancel the sale, and this title guarantee shall not apply. The auction shall have no obligation whatsoever to produce the certificate of title to the Buyer and shall have no obligation to make payment whatsoever or remit any funds to Seller.

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- g. If the Buyer has not received the title within that time frame, the Buyer must submit an arbitration for return through the EBlock app by using the "Arbitrate" button, and a 2-business day grace period will be applied to start that day, if submitted before 12pm local time. If submitted after 12pm local time, it will begin the next business day. The Seller has until 5pm local time on the 2nd day to provide the title. The buyer must return the vehicle to the compound no later than 12pm local time on the 3rd day or buyer must request transport through EBlock to be shipped back to seller by 12pm local time on the 3rd day. The seller will receive confirmation of transport by end of day on 3rd day. Vehicle must be in the same or better condition and cannot exceed 500 more miles noted on Bill of Sale. For each mile over the 500-mile allowance, the charge will follow the then-current US Internal Revenue Service (IRS) mileage rate (currently US\$0.67 per mile) but will not exceed 10% of the auction sale price. For lower-priced vehicles, if the total penalty for exceeding mileage is greater than 10% of the vehicle sale price, the Arbitrator may adjust the charge to the higher of \$500 and 10% of the auction sale price.

Example: \$4,000 vehicle is returned with an additional 2,000 miles. The Arbitration will calculate 1,500 excess miles at US\$0.67 for a total of = US\$1,005. The Buyer will be charged US\$500 since the calculated charge of US\$1,005 is higher than 10% of sale price.

If the vehicle is not returned within the time frame indicated above, then the initial 2-day grace period is voided. In order to return the vehicle, another application for arbitration will need to be submitted; at which point, a new 2 day grace period will commence.

- h. If a vehicle is returned for a late title, the Buyer will be reimbursed for reasonable transport expenses incurred in transporting the vehicle from the selling location to Buyer's address and for its return, provided such expenses are documented.
- i. The Seller/Auction shall not be liable for any vehicle sale or repairs made by the Buyer before the title is received.
- j. All titles submitted by Seller must be in Seller's company name on the title or on a properly executed reassignment form. The Seller guarantees the titles of vehicles that are sold through Auction. This guarantee of the title warrants that the title shall be marketable and free and clear of all liens and encumbrances. This includes any brand (such as "salvage") noted upon the current or any prior certificate of title unless such encumbrances were announced at the time the vehicle is sold through Auction and for a period of four (4) years from the date of sale. Seller's liability under this title guarantee shall never exceed the Auction sale price (the "maximum amount") of the vehicle. (Reference NAAA)
- k. If there is a known unannounced title issues (ex. Miles Discrepancy), it must be reported to EBlock within 5 business days of receipt of title. Day one begins the day after the buyer receives the title notice.

- l. If a sale is canceled for an unannounced title issue, i.e., salvage, prior rental, lemon law buyback, NAM, etc. The seller will be responsible for transportation expenses and reasonable documented expenses not to exceed the vehicle purchase price. Buyer must provide verifiable receipts.
 - m. EBlock may request a VIN verification, Smog Certificate or a recall to be submitted by the buyer in order to provide correct title paperwork. It is the buyer's responsibility to provide the requested documents within 2 weeks of notice. If the paperwork is not provided in the allotted time frame, the auction will have no responsibility to provide correct paperwork and the buyer will be accepting the paperwork AS-IS.
 - n. If the seller requests the vehicle back for no title or is unable to produce a title, the seller will be responsible for the buy fee, transportation expenses, and reasonable documented expenses. Buyer must provide verifiable receipts.
 - o. If the title has not been received within 120 days, the auction has the right to bond the title and charge the seller for all expenses.
30. **No Sale/Vehicle pick up.** If a seller leaves a vehicle at the compound or auction for more than 15 days, EBlock will ship the vehicle to the address on file at the cost of the seller. The seller must receive a vehicle release form in order to release it to the buyer.

Buyer Obligations

31. **Review of Vehicle Disclosures.** Before bidding on any Vehicle, it is the Buyer's responsibility to review all Vehicle information that is made available through the Auction Platform or Physical Auction including Seller Disclosures, Vehicle history reports, Condition Reports and review of the vehicle in the Physical Auction. Any Vehicle damage apparent in the photos submitted by the Seller is not subject to Arbitration. Normal Mechanical Wear & Tear meaning minor noises, gasket leaks and engine and transmission performance issues that are normal and to be expected given distance traveled and age of the Vehicle is not subject to arbitration. It is the Buyer's responsibility to verify the condition of the Vehicle within the time period for Arbitration as set out in the Arbitration Policies. Failure to file an Arbitration claim within the required time frame may result in the loss of Buyer Arbitration rights.
32. **Vehicle Pick-Up.** Vehicles sold on the Auction Platform must be collected from the compound within 2 business days of sale or delivery to compound or subject to a \$25 per day late pick up fee. Vehicle must be paid in full prior to pick up or set up on an automatic release payment type (flooring, ACH, Check). If the Vehicle is damaged in transport, it is the sole responsibility of the Buyer and the transport company. EBlock will not be held liable in any way for any damage to a Vehicle incurred while being transported. If pickup is not arranged within 5 business days, EBlock reserves the right to transport to the nearest compound and/or to the buyer's lot and payment will be billed to the buyer. If the buyer does not pick up or pay for the vehicle, EBlock has the right to resell at the current market value and buyer will be responsible for bid difference. The buyers account will remain in suspension until the difference is paid in full.
33. **Transportation/Risk of Loss.** When the Buyer purchases vehicles with an automatic payment method, the Buyer agrees to remove a purchased vehicle from Seller's possession within five (5) business days of the date of the sale contract invoice. If Buyer fails to remove a purchased vehicle from Seller's property within five (5) business days, EBlock reserves the right at its sole discretion to transport the vehicle on behalf of Buyer, and Buyer shall be responsible for such transportation

costs and any liability resulting from the transportation. EBlock is not responsible for any dry run fees accrued by the Buyer, and the Buyer is subject to any to any dry run fees accrued by EBlock. Buyer is solely responsible to arrange transportation of a purchased vehicle. Risk of loss remains with the Seller until the vehicle is removed from Seller's lot by Buyer or Buyer's agent unless vehicle damage is caused by an act of God prior to pickup in which case the risk of loss falls to the Buyer. Except as stated above, the risk of loss passes to Buyer once the Vehicle is picked up by Buyer or Buyer's agent. Buyer is liable for all expenditures, mileage, wear, damage, and all other losses to a vehicle after Buyer takes possession of the vehicle. Seller agrees to notify EBlock if Buyer has not picked up the vehicle within five (5) business days. If EBlock transports a vehicle at Customer's request, EBlock's role is only one of the transport broker and any claim related to the transport shall be between the carrier and the Buyer. EBlock shall have no liability for losses arising out of such transportation as a broker or otherwise ("Transportation Claims"). Buyer agrees its sole remedy is against the carrier or through its own insurance coverage, and Buyer agrees to file a waiver of subrogation with its insurers in favor of EBlock. When the buyer purchases vehicles with a cash payment, EBlock will automatically transport the vehicles to the nearest compound at the Buyer's expense. The Buyer will be notified when the vehicle is ready for pickup. When a buyer purchases a vehicle with a cash payment method, EBlock will automatically transport the vehicle to the nearest logistic center at the buyer's expense. The buyer will be notified by EBlock when payment has posted and the vehicle will be released to the buyer.

34. **Storage of Vehicles.** Customer agrees that EBlock is not a bailee of vehicles unless EBlock signs a separate bailment or storage agreement with Customer. Customer remains liable for any damage, theft, or loss of such vehicle or any of its component parts or any personal property located in the vehicle while the vehicle is in the possession of Customer ("Vehicle Property Damage Claims"). Risk of loss for the vehicle transfers from Seller to Buyer once the Vehicle is picked up by Buyer or by an agent on behalf of the Buyer, including EBlock transportation.
35. **Transportation Arranged by EBlock.** If Buyer requests that EBlock assist in arranging transportation, EBlock's role is only as a transport broker. EBlock provides this service for a fee which will be set forth on the platform. EBlock does not warrant or otherwise endorse the services provided by third-party transportation companies. By selecting the transportation option, Buyer authorizes EBlock to arrange transportation of a vehicle with a third-party transportation company. By requesting transportation on a move that is less than 50 miles, Buyer consents to the use of drive-away service. If drive-away service is used, Buyer will have miles driven by drive away service added to allowed mileage for an arbitration. In addition, Buyer agrees to the following terms and conditions: a. Buyer will pay EBlock's the transportation fee indicated on the platform and invoice on or before the Payment Due Date; b. Any delivery times provided are estimates only. EBlock does not guarantee that the vehicle will be delivered within the timeframe indicated. EBlock will not be liable for any costs or losses associated with the late delivery of a vehicle; c. If the vehicle is damaged in transit, EBlock may, as a convenience to Buyer, use commercially reasonable efforts to assist Buyer in making a claim against the transportation company or its insurer. This assistance does not involve contacting the transportation company's insurer on Buyer's behalf or initiating or prosecuting legal action against the transportation company or its insurer on Buyer's behalf. Buyer agrees that EBlock is not liable for any theft, conversion, loss, injury, death, damage, claim, expense, lawsuit; d. If a vehicle requires a tow or is oversized there will be an additional charge of a minimum of \$100 added to total transport charge.
36. **Exports.** Arbitration is not available on claims that Vehicles do not meet applicable export or Import

requirements. Any Vehicle that has left the United States will not be eligible for Arbitration.

37. **Disclosed Codes.** As part of EBlock's verified condition report, our Vehicle inspectors will perform a scan on a selling vehicle's onboard diagnostic scanner (also known as OBD II scanner) when present/operational to determine if there are any code(s) present. It is solely the buyer's responsibility to perform all research on any disclosed codes/defects and bid at their own discretion. Any disclosures or declarations made to or relating to a specific code/component will result in NO AVAILABLE ARBITRATION on said component(s). Furthermore, we recommend any vehicle(s) purchased on the EBlock platform with any disclosed/declared OBDII code(s) be transported by carrier only. EBlock will not be held responsible for damages that may occur if a vehicle is driven that are related to OBDII code(s) present in the condition report.
38. **NAAA Policy.** EBlock follows the National Auto Auction Association ("NAAA") Arbitration Policy as amended or updated and such policy is hereby incorporated by reference, as if it was recited at length in these Terms and Conditions. Undisclosed defects or damages that are not visible in a vehicle's listing photos, noted in seller notes, visible by inspection of the physical unit before or during the auction, or posted as Declarations may be subject to arbitration by the Buyer due to inadequate disclosures of damage or condition with mech rates (\$85 per hour GAS / \$100 per hour NON-GAS) per incident exceeding \$800. In addition, the supplementary arbitration rules set out in these Terms and Conditions apply to all vehicles offered for sale through the Auction Platform. If there is a conflict between the NAAA Arbitration Policy and these Terms, these Terms shall prevail to the extent of the inconsistency. The NAAA Arbitration Policy can be viewed at: www.naaa.com under the Policy section.
39. **Verified Vehicle.** Vehicles inspected by trained EBlock representatives on completion of the inspection may be qualified as "Verified Vehicles". The EBlock inspector will ensure that Vehicle year, make, model and equipment are accurately recorded, and all visual cosmetic damages are properly disclosed. Any undercarriage damage, structural damage or major mechanical problem disclosures are the sole responsibility of the Seller.
40. **Miles upon pickup:** Minor discrepancies between the odometer disclosure and the actual odometer reading, where the odometer exceeds the disclosure by up to 1,000 miles or 5% (whichever is less), are not subject to arbitration. In cases where compensation is provided to the Buyer for an odometer reading discrepancy, a fifteen cent (\$0.15) per mile allowance will be considered. Determination of excessive added mileage will be at the sole discretion on the Arbitrator.

Arbitration Policy

As an accommodation to its customers, EBlock provides Arbitration Services for disputes that may develop between Buyers and Sellers, in connection with undisclosed conditions or breaches of guarantees that may exist on vehicles that are sold through EBlock. Such Arbitration services shall be performed at the discretion of, and pursuant to the Arbitration Policies of EBlock and the NAAA. In order to enter Arbitration, the Buyer must give EBlock notice through the EBlock App of the undisclosed condition or breach of guarantees within the specified time parameters, depending on the type of condition or breach of guarantee. If the Buyer fails to give notice within the specified time frames, EBlock shall have no duty or obligation to provide Arbitration Services and the sale will be final.

Physical / LiveLanes™ event - inlane buyers = NAAA Arbitration policy inlane rules.

41. **Arbitration Claim Submission.** Buyer can file an Arbitration claim with EBlock. The claim must be

submitted within the Arbitration deadlines and after the Vehicle has been paid for and is in the Buyer's possession. The Arbitrator will determine if the claim is on time and valid. Arbitration claims must be submitted via the Arbitration Request Form available on the Auction Platform. If a Buyer is unsure whether a claim is valid, they should submit the claim regardless. Arbitration submissions and inquiries must be made within the Arbitration deadlines.

42. **Normal Arbitration Deadlines.** The Normal Arbitration claims deadline is 2 business days from the first available date of pickup or receipt of the vehicle unless the vehicle has Assurance. Up to a maximum of 10 calendar days when using transportation not facilitated by EBlock. Day 1 of the Arbitration time frame is the day of delivery and/or receipt of the Vehicle. In some circumstances, where the Vehicle is delivered via transport and delivered on a weekend, day 1 for Arbitration will commence on the Monday of that week. The Buyer may be required to submit the transport bill of lading for proof of delivery date. Refer to the Vehicle Disclosure Requirement Chart for more details.

Physical Auction / LiveLanes™ Event for in lane buyers - sale day guarantee for Green Light / guaranteed and Green Light / guaranteed units with a caution for areas not under a caution. Once the vehicle leaves EBlock physical sale, sale day guarantee will expire unless it goes through post sale inspections.

43. **Extended Arbitration Deadlines.** The Extended Arbitration claims deadline is 7 calendar days following receipt of the vehicle. The extended deadline is offered for issues that involve a structural frame, or an additional third party inspection.

44. **Odometer Readings.** Once a Vehicle is in Arbitration, the Buyer must not drive, or test drive the Vehicle until a resolution has been determined. No more than one hundred (100) additional miles can be recorded on the odometer for a claim to be valid. In the event the odometer has exceeded the above guidelines, EBlock at its sole discretion, can accept or deny the Arbitration. Appraisal valuation Buyers should expect a higher odometer reading than that disclosed at the time of appraisal. A continuation of normal driving based on Vehicle's history can occur between the appraisal date and the Expected Delivery Date. Additional miles driven during this period will not affect a Buyer's right to Arbitration.

45. **Arbitration Process and Costs.** Once a claim is accepted, the Sales Resolution agent will review all details and work through the Arbitration process towards a final and binding resolution. The Sales Resolution agent will only consider matters listed on the initial claim. If a third-party Arbitration inspection is required, the party determined to be at fault will be responsible to pay the cost of inspection. No later than (5) business days after opening an Arbitration, the Buyer needs to provide EBlock with supporting documentation for the claim. Inspection/diagnosis and repair estimates are required to be provided by a franchise dealer not affiliated with the buying dealer group. In the event of a canceled sale through Arbitration, the Vehicle must be returned to the auction in the same or better condition than when it was sold. Additional damage incurred on the Vehicle in the Buyer's care may result in Buyer's loss of right to cancel or the payment of financial compensation from the Buyer to the Seller. EBlock will make the final decision in such cases. **On canceled sales, vehicle titles must be returned to the EBlock title office within 7 calendar days at the expense of the Buyer or the Buyer may risk revocation of the cancellation and/or buyer will be responsible for all fees to replace a title.** On completion of Arbitration, the party at fault will be responsible for Arbitration inspection fees (if applicable) and the transport cost (if qualified). Where the Seller is at fault, inspection and transport costs will be collected from the seller. Failure to make such payment may result in the loss of auction privileges. Proof of

transportation cost must be provided to EBlock in the form of a proper invoice from a licensed transport company. Dealership drive-away will not be considered for reimbursement to the Buyer. Buyers will forfeit compensation for transport costs on canceled sales where the Arbitration was filed late and/or the cancellation was the result of EBlock goodwill. Sellers with multiple recurring valid Arbitrations may be subject to a fee of \$200 per valid Arbitration. Buyers with multiple invalid arbitrations may be subject to a fee of \$200 per invalid Arbitration.

46. **NOT Eligible for Arbitration.** Vehicles that are not paid and picked up within 5 calendar days of being available, are not eligible for Arbitration unless the vehicle has been transported. In the event the vehicle is delivered via EBlock carrier, a 14-day grace period will be granted. In some circumstances, at the discretion of the Arbitrator, this time frame may be extended based on circumstances such as weather, the distance between Buyer and Seller or carrier breakdown. A Vehicle is not eligible for Arbitration if it is no longer in the Buyer's possession. Units with voided factory warranties are also exempt from arbitration and the voided warranty must be announced.. A Vehicle is not eligible for Arbitration if Buyer has resold the Vehicle in the wholesale or retail marketplace.
47. **AS IS.** Arbitration rights are limited on Vehicles sold AS-IS. Vehicles that are 10 model years or older or have 125,000 miles or more will be rated AS-IS when sold on the EBlock system. Sellers can choose to override the AS-IS rating and provide buyers with full Arbitration rights. When the AS- IS rating is overridden, the seller must uphold all obligations as outlined in EBlock Terms & Conditions and Arbitration Policy. AS IS vehicles can only be Arbitrated for the following:
 - a. AS IS Vehicles sold for \$2,000 or more
 - i. Odometer issues such as rollback, replacement, TMU
 - ii. Title issues
 - iii. Branding issues and insurance total loss
 - b. AS IS Vehicles sold for under \$2,000
 - i. Odometer issues such as rollback, replacement, TMU
 - ii. Title issues
 - iii. Branding issues and insurance total loss
48. **Misrepresentation.** An arbitration ruling in favor of the buyer will occur in cases of misrepresentation on the part of the seller. Misrepresentation means an act, representation or omission that materially affects the value of a vehicle and would be regarded as misleading, unprofessional, or unethical, intentional or not. A misrepresentation ruling is at the sole discretion of the Arbitrator.
49. **Licensed dealers, buyers, and sellers are considered to be industry professionals.** Industry professionals are expected to have a fair understanding of a vehicle's merchantability and have an understanding or the ability to know of any apparent major mechanical or physical issues that would comprise it. Any posted information in the condition report and the opportunity to inspect a vehicle in the LiveLanes™ environment is recognized as the intent to fairly disclose those defects before a transaction.
50. **Electronic Communications.** Through your application and registration to use the Auction Platform or LiveLanes™ and by providing your business and/or personal email address, you give EBlock

implied consent to send electronic communications in the form of SMS, email and in-application notifications. EBlock sends out regular email communications to advise of upcoming sale events. You can remove yourself from these email lists by clicking the “unsubscribe from this list” link at the bottom of the email. The Auction Platforms provides automated notifications to Sellers and Buyers to assist with the sale and purchase of Vehicles. These notifications are configurable at the user level in “Notifications Preferences” under the “My Account” area of the mobile application and the bell icon on the web. By subscribing to receive notifications, you agree to receive recurring automated promotional and non-promotional messages from or on behalf of Eblock. Message and data rates may apply.

The types of electronic communications you may receive from or on behalf of EBlock may include, but are not limited to, the following:

- Automated auction alerts related to the sale of Vehicles on the Auction Platforms.
- In application communications.
- Information regarding upcoming auction sale events.
- Notification of special promotions.
- Direct email or SMS communications from Eblock staff.

Please note, when you use the “unsubscribe from this list” link you are removed from EBlock’s marketing email group only and are not removed from any other electronic communications channels associated with EBlock. To manage other communications, go to “Notification Preferences” under “My Account” in the mobile application, the bell icon on the web, or contact your Territory Sales Manager directly.

Auction Location Guidelines

1. Operating Hours:
 - a. **Administration Office:** 8:30 am – 5:00 pm Mon – Fri. PST
 - b. **Sale Locations:** 9:00 am – 5:00 pm Mon – Fri.
2. All communications regarding transactions, titles, etc., must be done through the auction unless permission is provided by EBlock
3. All Dealers, drivers or porters must check in and show a valid Driver’s License before entry at each auction location.
4. Speed limit is 7 mph.
5. No person under 18 years of age is allowed on auction premises.
6. Free copies of EBlock’s Terms and Conditions are available online at www.EBlock.com or by calling the administrative office to have a copy mailed.
7. All Vehicles on auction premises are subject to search.
8. EBlock will prosecute all persons for tampering, theft or vandalism of Vehicles.
9. Any Vehicle left on the auction’s customer parking lot for more than one week will be subject to tow. Any Vehicle left on auction property will be subject to tow, if not removed when requested to do so.

10. EBlock is not responsible for any theft or damage to Vehicles that have not been removed from the auction premises following the sale.
11. Any issues brought to EBlock's attention after the allowed time frame will not be Arbitrated.
12. Book sheets and window announcements are provided as a courtesy only. This information is not to be relied upon as complete and/or accurate, and is not subject to Arbitration, except with the Assurance program.
13. Test-Drive Release and Waiver of Liability and Indemnity: WHEREAS DEALER shall mean the undersigned, its officers, agents, or employees; and WHEREAS DEALER wishes, as part of its pre auction inspection, to test-drive certain vehicles prior to bidding on them at the auction, and EBlock is permitting Dealer to test-drive these certain vehicles prior to bidding on them, the Dealer agrees as follows:
 - a. **Test Drive:** Dealer shall not test-drive Vehicles without permission, and only in areas and under the Terms specified by EBlock, including obeying posted speed limits, and driving with seatbelts fastened.
 - b. **Release:** Dealer hereby releases, waives, discharges and covenants not to sue EBlock, its officers, agents, employees, or the consignor of the test-driven Vehicle, from all liability, for any loss or damage and any claim or demands therefore, on account of injury to persons or property, or resulting in death of the Dealer, while the Dealer is in, upon, about or outside the premises of auction test driving Vehicles.
 - c. **Indemnity:** Dealer hereby agrees to indemnify and save and hold harmless EBlock, its officers, agents, employees, and the consignor of the test-driven Vehicle and each of them from any loss, liability, damage or cost they may incur due to the Dealers test-driving of Vehicles in, upon, about or outside the premises of EBlock.
 - d. **Assumption of Risk:** Dealer acknowledges that no representatives, express or implied, are given regarding the condition of any Vehicle to be test-driven. Dealer hereby assumes full responsibility for, and risk of bodily injury, death or property damage, due to the negligence of others or otherwise, while test-driving Vehicles in, upon, about or outside the premises of EBlock. Any damage caused to any Vehicle by a Dealer or his representative in excess of \$250, shall result in the purchase of the Vehicle(s) in the amount of the lesser of the consignor's cost or Manheim Market Report value.
 - e. **Security Interest:** Dealer hereby grants EBlock a security interest in, and right to set-off against, any sums or Vehicles held by EBlock for Dealer's account, to secure payment for any damages caused by Dealers test-driving.
 - f. **Miscellaneous:** Dealer further expressly agrees that the foregoing agreement is intended to be as broad and inclusive as is permitted state and local laws, and that if any portion thereof is held invalid, it is agreed that the balance shall, notwithstanding, continue in full legal force and effect.

The eligibility of vehicles for certain EBlock programs, including, but not limited to EBlock Assurance and EBlock Post Sale Inspection is determined, in part by Sale Light System markers assigned to the Vehicles on sale, and which are set out below:

Sale Light System

- **Green Light**- Arbitration allowed on all matters normally subject to arbitration, subject to Assurance eligibility set out in section "Eligible Vehicles" and subject to EBlock Assurance Program Terms set out below
- **Green Light/Yellow Light**- Green Light Sale with Disclosure(s) Arbitration allowed on all matters normally subject to arbitration except for disclosed conditions
- **Red Light**-Vehicle is sold As Is. No specific Disclosures have been made. Arbitration is limited.
- **Red Light/Yellow Light**- Red Light Sale with specific Disclosure(s). Arbitration is limited.

Eligible Vehicles

The following Vehicles are "Excluded Vehicles" for the purpose of EBlock Assurance and do not qualify for the EBlock Assurance:

- Vehicles with milage lower 36,000 miles or greater than 200,000 miles (or equivalent in kilometers).
- Vehicles that are less than 3 model years old.
- Vehicles than are 15 model years or older.
- Vehicles marked AS-IS (includes all Vehicles sold for less than \$1,000).
- Vehicles with branded titles.
- Vehicles with odometer disclosures where the true distance traveled is unknown.
- Non-Runners.
- Vehicles with heavy engine or emissions modifications.
- Vehicles with Inherent Conditions (See Program Terms for additional info).
- Vehicles sold over \$90,000 for any exotic vehicle, including, but not limited to, Ferrari, Aston Martin, Bentley, Lamborghini, Lotus, Maserati, McLaren, Rolls-Royce, or Maybach.
- Any Vehicles sold Excludes units sold in a LiveLanes™ or physical auction environment.

Buyers Assurance Program Fees & Benefits

Assurance Program fees:

- If Assurance Program is chosen at checkout after vehicle is purchased and the vehicle is an Eligible Vehicle, the Buyer Assurance Program fee of \$179 per vehicle Vehicle will be charged on top of the then current buy fee at checkout.
- If Assurance is purchased and the Vehicle is an Eligible Vehicle at the time of checkout, the following terms will apply to each Vehicle:
 - \$500 threshold for one incident of damage or damage repair cost for arbitratable items (wearable items not included)

- If both Assurance and EBlock Transport are purchased: 7 days to file claim from delivery*, not to exceed 14 calendar days from the day of sale.
 - If Assurance is purchased without EBlock Transport: 5 days to file a claim from delivery*, not to exceed 14 calendar days from the day of the sale.
 - If Assurance is **not** purchased or the Vehicle is an Excluded Vehicle:
 - \$800 threshold for one incident of damage or damage repair cost for arbitrable items (wearable items not included)
 - If Vehicle is 15 years or older and/or has over 200k miles, then it is considered to be sold and purchased on the AS IS basis
 - Regardless of transport options, 7 calendar days from sale date and NAAA rules apply
- *Proof of delivery required (Bill of Lading)

Assurance Program fees are non-refundable and appear on the bill of sale as a separate line item. 17

Program Terms

- EBlock reserves the right, at its sole discretion, to disqualify any Vehicle from the Assurance Program, pre or post-sale.
- EBlock reserves the right, at its sole discretion, to remove and/or disqualify any Buyer or Seller from the Assurance Program.
- Transmissions cannot be Arbitrated if a transmission code is present under the OBD-II Codes section. This includes all codes. Some codes include, but not limited to, P0700, P0706, P0715, P0720, P0729-P0736, and P0750-P0770.
- Tires within +/- 2/32nds of inspection time are non-arbitrable.
- Only class 3 oil leaks are arbitral per NAAA
- Any Internal engine noise must persist for more than 5 seconds after the engine has started. Engine noise that persists for more than 5 seconds is eligible for arbitration up to 200,000 miles
- Electric Vehicle
 - 5% lost range on recharge per year is considered normal wear and tear
 - Capped at 65%, below that is defect
 - ie if a car with 500 mile range when new can only be charged to a 300 mile range (ie 60%), the battery is considered defective and a major repair needing a sellers declaration
- Inherent Conditions: No arbitration can be based on conditions that are inherent or typical to a particular model or manufacturer. Manufacturer warranty guidelines will be used where applicable to determine whether the condition is inherent. Additional resources can be found on NAAA's Standards page at www.NAAA.com
 - For example but not limited too:
 - 2010-2018 Nissan CVT Transmission
 - 2015-2018 GM truck/suburban/tahoe/escalade transmission
 - 2017-2020 ford/lincoln truck engines
 - 2015-2018 ford passenger car transmissions
 - 2013-2017- toyota CVT transmission
 - Ford 5.4L Engines Cam Phaser Noise & 5.0L Engine knock

- GM HD Differential Noise
 - Subaru Piston Noise
 - GM 6.2 Engine Piston Noise
 - Jeep Manual Transmission noise
 - Chrysler 3.7 "Thump"
 - Toyota Rav4 Drive Train noise
 - Dodge Hemi "knock"
- Wearable items, including but not limited to; engine and transmission mounts, struts, brakes, rotors, suspension components, coils, sparkplugs, are not covered under arbitration.
 - Specialty vehicles, including, but not limited to, commercial vehicles, kit cars, off-road vehicles, ATVs, buses, farm and construction equipment, forklifts, heavy-duty trucks, medium-duty trucks, marine, motorcycles, power sports, recreational vehicles, snowmobiles, and trailers are all considered "as is", and are not eligible for arbitration
 - At the sole discretion of the Arbitrator, a resolution ruling can be made requiring a Seller or EBlock to repair defects and/or provide compensation to a buyer to maintain a Vehicle transaction and avoid sale cancellation. The Arbitrator's decision is final and binding on both Buyer and Seller.

Sellers

For Sellers in the Assurance Program, all Vehicles offered within the model year and distance traveled parameters will be listed and sold under the Sale Light System in the Assurance Program, unless sold in a LiveLanes™ or Physical Auction environment.

As a seller you must either Opt in or Opt out of Assurance for all units sold and not per vehicle. The Assurance Program fee is \$50 per vehicle on top of the current sell fee.

- If opted YES for Assurance program it will provide seller with protection around arbitration within perimeters (See below and Eligible/Ineligible Vehicles)
- If opted NO for Assurance, the seller agrees to NAAA selling rules, arbitrations, and guidelines.

Except for the Assured Program's specific Terms & Conditions as they apply to vehicles sold in the Program, Sellers are bound to all of their obligations as specified in EBlock's Terms of Service.

The Seller Assurance Program guarantee does not apply to the following types of Arbitration claims:

- Branded title
- Hidden structural damage
- Liens or other title problems
- Odometer issues such as rollback, replacement or TMU not properly disclosed ●

Vehicle history or claims not readily available at time of sale

- Recalls with no part availability
- Any stored or cleared codes regardless of declaration
- Units that were not able to be test driven by the EBlock inspections team.

- Vehicles with a sale price under \$1,000 are sold strictly AS IS.

The Arbitration Dollar Threshold for mechanical is \$500 for one single item (not including taxes) for vehicles sold under the Assurance Program. If no Assurance the Dollar Threshold is NAAA \$800

Arbitration claims made after the deadlines will not be considered. The total amount will be refunded to the floorplan company and the Program fee will be charged back to the Buyer separately.

Vehicle Titles on canceled sales must be returned to EBlock's Office within 7 days of the cancellation at the expense of the buyer or the buyer may risk revocation of the cancellation.

EBlock Post Sale Inspection (PSI)

Guarantee

- The PSI guarantee is non-transferable and void if the vehicle is resold during the guarantee period.
- Vehicles submitted to arbitration under a PSI must have 200 miles or less added to the odometer from the odometer reading recorded at the auction and the claim date.
- EBlock reserves the right to resolve arbitration claims estimated at the auction wholesale repair costs.
- EBlock will reimburse transportation to and from the buyer's registered address with EBlock, the buyer fee and vehicle purchase price. Profit, commissions, repairs and detail charges are excluded.

PSI Eligible Vehicles

Vehicles selling through EBlock LiveLanes™ are eligible for Post Sale Inspection (PSI) when;

- Green light (guaranteed) vehicles with less than 125,000 miles.
- Green & Yellow light vehicles (guaranteed with caution) less than 125,000 miles.
 - *Disclosures will not be inspected or guaranteed under PSI
- Vehicle Purchase Price over \$3,000.
 - PSI must be requested before checkout the same day the vehicle is purchased, including the day an IF BID / Offer is accepted.

EBlock will make the final determination if the vehicle is eligible for PSI.

Vehicles selling in any EBlock platform are ineligible for PSI:

- Vehicles sold with mileage equal to or over 125,000
- Vehicles sold with a price of \$3,000 or under
- Vehicles sold with purchase price or with an estimated MMR above \$75,000
- RVs, boats, heavy trucks, equipment, motorcycles, kit vehicles, handmade vehicles, heavily modified vehicles.
- Vehicles sold As-Is or deemed automatic As-Is per NAAA policy and EBlock policy
- Vehicles 20 model years or older
- Vehicles that have been removed from EBlock compounds.
 - Offsite vehicle purchases may not be transported to an EBlock logistics center for a Post Sale Inspection.

- 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 trade-assist buybacks, TMU, et al.

- All electric vehicles

- Heavy Duty Trucks & Heavy Equipment categorized in Class A and B with Gross Vehicle Weight Rating (GVWR) of 26,000 pounds or heavier.

- The buyer is responsible for the PSI fees regardless of *vehicle pass or fail*.

- The sale of the vehicle is NOT contingent upon the availability of the PSI

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

- EBlock will make the final determination if the PSI is deemed a pass or fail

- A PSI failure occurs when the inspected components of a vehicle meet NAAA Arbitration Policy criteria or state or local government safety regulatory criteria, or EBlock policy criteria, which make the vehicle eligible for arbitration.

In such event:

*The Buyer has the option to enter the arbitration process and:

- Complete the transaction on mutually agreeable terms with the seller with the sale completed as "Buyer Bought"

- Per NAAA Arbitration Policy: "If price adjustment is made and accepted, vehicle becomes "As-Is, No Arbitration" property of the Buyer, and is not subject to any further arbitration."

- Or, complete the transaction with the vehicle in its current state and under no negotiated terms with the seller. In this case the vehicle becomes "As-Is, No Arbitration" property of the Buyer, and is not subject to any further arbitration.

- Or, void the transaction, with the sale being unwound.

- A vehicle that fails PSI and results in a "Buyer Withdrew" status will move back into seller inventory. If the seller decides to re-run the vehicle in a future auction, the seller is required to repair the vehicle or make the appropriate announcements.

- For vehicle purchases, a defect on a vehicle for which 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 EBlock's wholesale cost.

- For defect states noted above, the defect must be eligible for claim resolution with EBlock. EBlock reserves the right to remediate the claim. Eligible claims are based on arbitral items noted in the NAAA Arbitration Policy.

- The seller remains liable for issues that fall under the required disclosures and timelines as per NAAA policy, and in such a case, arbitration with the seller may occur.

- Any claim for arbitration under the PSI must be submitted within the guarantee timeframe purchased (defined as the time between the date of completion of the PSI and the date of claim). If a vehicle return is required, the vehicle must be returned within the stated deadline established by the facilitating location in the same or better condition as when sold.

- EBlock retains the option to assume ownership of a vehicle at a maximum of 102% of MMR

PSI inspections are based on our technician's expertise, as well as utilization of expert source information for items such as repair costs; items inherent to a vehicle based on make, model, year and other factors (e.g., "known conditions"); and, generally accepted practices and standards (e.g., "NAAA

Leak classes”).

- Leaks, noise and other items that are generally considered inherent to an inspected vehicle
- Inherent conditions based on year, make, model
 - Determination will be made using NHTSA.gov
- Options, accessories, or any items not included in standard base equipment on OEM make model trim of the vehicle being inspected
- Wearable Items
 - Definition (per NAAA guidelines): defined as parts of the vehicle that the manufacturer recognizes the need for replacement/adjustment during the expected life of the vehicle driven the average miles per model year (15k). These items are normally identified in the Owner’s Manual for routine check and replacement.
All Suspension, Brake, External engine components, Ball joints, Steering rack and pinion, bushings.

Items with manufacture defined life

Expectancy such as Fluids/ lubricants / Wipers / Tires

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

If arbitration results in a sale being unwound based on a failed PSI, the seller must either repair or disclose the results of the failed PSI when re-running the vehicle at EBlock. Failure to do so may result in the seller being held responsible for reimbursement of any subsequent failed PSI for such vehicle.

EBlock reserves the right to modify, alter, discontinue or terminate this policy at any time for any reason whatsoever, with or without notice. In addition, EBlock reserves the right to decline to offer this service to any person or entity at its discretion.

“Frontline” Inventory using a KBB Booksheet in lieu of a Condition Report

General Seller Responsibility

1. Complete disclosure of vehicle to include the following:
 - a. Provide a “Frontline Ready” safety checked vehicle (this does not guarantee a smog certificate)
 - b. Accurate Booksheet
 - c. Accurate vehicle color
 - d. Accurate current Odometer Reading
 - e. Certification eligibility (meets manufacturers’ certification requirements)
 - f. Any aftermarket equipment added to the vehicle
 - g. Any Carfax or Autocheck issues known of or declared in the vehicle’s history
 - h. Any/all previous paintwork (Bumpers excluded)
 - i. Rental/Taxi/Livery use
 - j. Any title and or registration
 - k. Out of State/country history/title

- I. Scratches, Dents or Dings that affect the value
 - m. Any other issues affecting the vehicles value
2. If sale is canceled due to Arbitration guidelines and vehicle is returned, Seller will be charged the round-trip transportation charge associated with the sale.
 3. Any vehicle that is sold at EBlock and not available for pickup for any reason will be charged a \$500 unwind fee, the \$500 collected from the Seller will be paid to the Buyer. Vehicle can be removed from sale up to Noon on sale day without incurring a penalty.
 4. If a vehicle is entered into Arbitration, Seller will provide EBlock with a copy of the repair order and be given the following options:
 - a. Have vehicle inspected prior to resolution by b) or c) (below).
 - b. Negotiate an adjustment.
 - c. Unwind the sale and have the vehicle returned (Seller will be responsible for transportation both ways)

General Buyer Responsibility

1. All sales are final when the vehicle has been properly represented by Seller.
2. Failure to honor bid(s) may result in termination of conducting future business with EBlock. Buyer will honor all accepted bids/offers/"ifs" approved by the Seller within the offer timeframe.
3. Read all announcements/disclosures on the Booksheet of the vehicle prior to bidding.
4. Verify the year, make, model, mileage, and represented condition of the vehicle within the 48-hour inspection period from the time of delivery.
5. Assume a deductible of \$800 on all cars purchased for any unannounced items necessary to make the vehicle retail/frontline ready or manufacturer certifiable (if so represented).
6. Any fraudulent expenses reported will result in Buyer not being paid and may result in termination of conducting future business with EBlock.
7. If sale is canceled, the vehicle must be returned to the selling dealer within 3 business days following contact and approval by EBlock.
8. If sale is canceled, vehicles must be in like or better condition, miles not to exceed 25 miles (transportation mileage excluded).

General Arbitration Rules/Procedures

Buyers are responsible for submitting vehicles into Arbitrations that fail the EBlock guarantee, or any vehicle misrepresented from the Booksheet in which the vehicle was purchased. When the Buyer receives the vehicle, it must be inspected within 2 business days of delivery (excluding weekends/holidays). If the Seller does not think the claim presented from the Buyer is legitimate, he may request an EBlock representative to view the vehicle, to confirm the complaint. The Buyer is required to support the complaint with an estimate of repairs for mechanical items. If transportation was provided, and fees are due once the vehicle is returned to the Seller.

EBlock will automatically adjust any vehicle errors represented on a Seller's Booksheet that is \$500 or less. For errors greater than \$500 EBlock will notify the Seller, they will have the option to adjust or

unwind the sale at EBlock's sole discretion.

Definitions of Equipment Adds

- **Custom Bumper:** A bumper that the manufacturer charges extra for on the MSRP or dealer invoice. A bumper that is installed after the purchase of the vehicle and has more value than the original bumper. In the case of a truck that bumpers are not standard equipment, any bumper added is considered custom. On most SUV's a bumper is included in the base price of the vehicle.
- **Premium Wheels:** A premium wheel is considered to be more valuable than an alloy wheel. A factory alloy that has been chromed is a premium wheel. An aftermarket wheel is not always considered premium. It must be of high quality. A steel wheel that is chrome is not considered premium (example: Ford, Dodge, and Chevrolet trucks have chrome steel wheels that are a less expensive option than an alloy wheel option). These wheels will not get a premium add, but an alloy wheel add is acceptable.
- **Premium Sound:** This add is for a stereo system that the factory charges as an upgraded sound system. For example: Bose, Infiniti, Mach, Harman Karman, Monsoon, or Toyota's Triple Sound System. Aftermarket sound systems must be of "high quality" in order to receive this add.
- **Wide or Oversized Tires:** Tires must be a larger than the standard size offered by the factory. For example: 17" tire and wheel option on a Ford F150 or Expedition. Aftermarket tires that are taller or wider than the factory original equipment must not affect the operation or calibration of the vehicle. In order to receive the equipment add, tires must be at least 4/32's even wear tread depth. Cupping on a tire is unacceptable.
- **Sun and Moon roof:** Must be a power slider. A moon roof is clear, and a sunroof is solid. **
Aftermarket roofs must be disclosed on the Booksheet.

Frontline Vehicle Standards

In order for vehicles to qualify for the Booksheet sale, the following requirements must be met: Frontline Ready Vehicle - A used vehicle that has been safety checked by a new car dealer, is in good to excellent condition and is ready for retail sale as follows:

1. Vehicle is in a Fully Reconditioned standard for the front line of a Dealer's lot.
2. No visible or hidden damage to the exterior or interior.
3. No major mechanical or electronic defects.
4. No more than 2 repainted panels (excluding bumpers) which meet industry standards.
5. No more than 50% wear pm brakes including all drums, pads and rotors.
6. No more than 50% wear on tires (minimum tread depth of 4/32")
7. No damages or repairs \$500 or more to fix (cumulative).
8. Vin Plates Any missing, altered, replaced, or reassigned vehicle identification numbers on dash or body panels.

Frame Flood, Fire, Engine Changes, Fuel Conversions and INOP Air Bag

Frame/unibody damage will be defined by EBlock with reference to the NAAA standards. Scrapes, scratches, jack/lift marks, clamp marks, minor corner tie-down marks not resulting from an accident,

core support damage, damage in front shock towers on unitized bodies not affecting integrity and if vehicle measures to NAAA standards are not arbitrable. Bumper and trailer hitches welded to frame are not considered frame damage. Vehicles with altered suspension are not subject to frame Arbitration if damage is from alteration.

Title

The following documents are not acceptable:

1. Duplicate title applications.
2. Junk or Salvage Bill of Sale.
3. Lien documents and government sale documents.
4. Gray Market vehicles, including Canadian vehicles, or vehicles that do not meet USA standards.
5. Out of state titles that are not announced.
6. Paperless title certificates or transfers.
7. Theft recovery or branded titles (example: salvage, police, taxi, rental, kit car, lemon law and factory buy backs)