

INDIANA AUTO AUCTION

GENERAL ARBITRATION POLICIES

Revised 5/1/09

1. The Auction makes no representations or guarantees as to the description, equipment, history, warranties, service policy, title status, accuracy, or odometer on any vehicle sold or offered for sale. The Auction does not guarantee or get involved in any factory or dealer warranty coverage issues on vehicles sold or offered for sale at the Auction.
2. The sales at the Auction are intended to promote fair and ethical treatment to both the Buyer and Seller. If the Auction determines that the transaction is not fair and ethical to either party, the Seller and Buyer agree that the Auction may cancel the sale, at its sole discretion.
3. **The decision of the Arbitration Department is final and binding on both the Buyer and Seller.** The Auction reserves the right to assess an arbitration fee to the Buyer if an arbitrated claim is deemed to be not valid or too frivolous. Any arbitration must be properly documented in writing and signed by the arbitrator. If the arbitration is valid, the Auction reserves the right to assess an arbitration fee to the Seller if they knowingly omitted an announcement. This fee is in addition to any charges associated with the arbitration procedure; such as check out fees at a specialty shop or transportation costs to and from a garage, etc.
4. The Auction is not a party to the contract of the sale. The sales contract is between the Seller and Buyer only. The Seller is required to give the Federal Odometer Mileage Statement in connection with any Auction sale as required by the Motor Vehicle Information and Cost Savings Act of 1972 as amended or other applicable laws. The Auction is not responsible and does not guarantee the accuracy of odometer readings, odometer statements, or damage disclosure statements.
5. Any vehicle sold “AS-IS” is NOT subject to mechanical arbitration.
6. LOT SALES/ OUTSIDE SALES
 - a. Any sale in which the Auctioneer does not state the selling price of the vehicle or “sell under the hammer” is considered an “LOT SALE”

- b. All “LOT SALES” are conditional until the Buyer pays for the vehicle. Up until the time of payment the sale is not binding on either party.
 - c. Once an “LOT SALES” has been paid for, the vehicle becomes “AS-IS” property of the Buyer. Buyer needs to check “LOT SALES” vehicles very carefully before purchasing, since they are not arbitratable for any reason, including frame/unibody damage. Vehicles sold immediately after crossing the block are still subject to the announced conditions noted on the Auction Block Ticket.
 - d. All vehicles bought or sold on the premises must be processed through the Auction Office. Failure to do so WILL result in suspension of trading privileges at the Auction.
 - e. Sellers may guarantee “LOT SALES”, but must do so in writing.
7. All vehicles consigned must have a public Vehicle Identification Number (VIN) plate attached to the vehicle. Those vehicles having a reassigned VIN plate by the State in place of the original VIN plate must be announced or will be subject to sale cancellation or Buyer return. The Auction reserves the right to refuse the sale of any vehicle in which the VIN plate appears altered in any way.
 8. The Auction reserves the right to review any audio/video documentation for verifying accuracy of the sale.
 9. All guaranties as stated by the Seller are those of the Seller only. The Auction does not make any guaranties, expressed or implied. The Auction assumes no responsibility for vehicle record books, service records, warranty vehicles, or history.
 10. The Auction does not guarantee information listed in Electronic Data Vehicle Histories (*i.e.*, *CarFax*, *AutoCheck*, *etc.*) and may not arbitrate solely on EDVH data.
 11. The Auction does not guarantee any warranty books, plates, or the year of kit vehicles, trailers, motorcycles, watercraft, recreational vehicles, antique, homemade or modified vehicles. All of these vehicles are sold “AS-IS” and have no odometer or frame guarantee. The Auction does not guarantee titles on watercraft.
 12. The Auction reserves the right to reject any vehicle that management judges to be unsafe.

13. Engines/Rear End – No arbitration on noises that is inherent or typical to a particular model or manufacturer, unless deemed “excessive” by the arbitrator on non-warranty items (includes but not limited to: all Jeeps, Ford Explorers rear end noise, etc.)
14. Standard transmissions can be arbitrated for slipping or inoperative clutch.
15. All mechanical arbitration is the day of sale, unless there is a pending Post Sale Inspection (PSI). Tomorrow is too late. It is the Auction’s responsibility to inform the Seller of any pending PSI or arbitration resulting from the sale day.
16. Manufacturer’s Warranty: The availability of a manufacturer’s warranty shall not affect a Buyer’s right to arbitrate a vehicle.
17. The arbitrator will inspect only the defect(s) that are on the arbitration form. Each vehicle is allowed one chance at mechanical arbitration. If price adjustment is made and accepted, vehicle becomes “AS-IS” property of Buyer, and is not subject to any further arbitration for mechanical defects or adjustments. The decision of the arbitrator is final and binding to both Buyer and Seller.

SALE-LIGHT SYSTEM

1. The NAAA has a standardized light system to describe the condition and/or announcements related to the vehicle being sold. The light system is defined as:
 - a. **Green Light – “Auction Guarantee”:** The green light signals that this vehicle is guaranteed under the conditions outlined in the Sale Day, Seven Day and AS-IS Arbitration section. Seller guarantees the lower engine (block, rod, crank); the transmission: automatic, manual clutch, rear end or final drive: CV Joint, hub bearing, and axel. Additionally, any unannounced, non-visible defect with a repair cost determined by the arbitrator to be at or in excess of \$500 is eligible for arbitration.
 - b. **Yellow Light – “Announcements”:** This light is an indication to the Buyer that the Auctioneer or Selling Representative has made announcements that qualify the condition and limit arbitration of this vehicle.
 - c. **Red Light – “AS-IS”:** Vehicles selling under the red light will only qualify for arbitration under the rules outlined in the Sale Day, Seven Day and AS-IS Arbitration section.
 - d. **Blue Light – “Title Absent”:** This light is used to announce that the title is not present at the time of sale. For Auction rules regarding titles, please refer to the Title Arbitration Policy section. (If T/A is not announced, a vehicle could be arbitrated for misrepresentation.)
2. The Seller understands that the sale lights are a binding representation of vehicle condition and is therefore responsible for ensuring that their vehicles sell under the correct light in the lane.
3. The Buyer is responsible for listening to announcements related to the vehicle, made by the Auctioneer or Selling Representative prior to the start of the sale for each vehicle. The Buyer is also responsible for observing and understanding the sale lights (Green, Yellow, Red, and Blue), which identify various sale conditions for the vehicle.

SELLER RESPONSIBILITIES

As to any vehicle purchased at the Auction, the Seller is responsible for the following:

1. Seller will be held responsible for the accuracy of any representations (*verbal or written*) made by Seller or Auctioneer at the time of sale - independent of vehicle "light" designation or guarantee offered. This includes year, model, mileage, announced conditions, and the corresponding lights under which the vehicle is being sold. Mileage and other information written on the window of sale vehicles or in Auction catalogs are for the convenience of the Buyer and are not to be relied upon as accurate or complete.
2. Mileage announcements are not required on vehicles deemed exempt from Federal/State Odometer and Title disclosure laws **unless mileage discrepancy is known or apparent to the Seller**. The Seller may represent miles on exempt vehicles - any statement made by the Seller and all known odometer discrepancies are grounds for arbitration.
3. The Seller is responsible for reimbursement of all reasonable documented expenses incurred by the Buyer (*excluding profit, commissions and detail charges*) on vehicles arbitrated for unannounced conditions not detectable through vehicle inspection (*i.e. stolen vehicle, odometer, title discrepancy, frame damage, flood damage, manufacturer buyback, etc*).
4. The Seller has the responsibility to announce any known state or local DMV fees, taxes or other fees over \$100 due on the vehicle (*if required by state*).
5. Title discrepancies must be announced including, salvage, previous salvage, theft recovery, not actual miles (previously TMU), odometer replacements, flood/fire history, and Lemon-Law buybacks.
6. All titles submitted must be in the Seller's name. It is the Seller's responsibility to ensure that a sold vehicle's title is **negotiable in the state of Indiana** and that the title is clear of all liens and encumbrances.
7. Seller is responsible for correct VIN numbers on titles and vehicles. All vehicles registered at Auction are subject to inspection by the FBI, State Police, National Auto Theft Bureau, and Local Police Authorities.
8. Seller shall be solely responsible for repurchase of any vehicle sold through the Auction found to be stolen prior to the date of sale.

9. On all vehicles sold TA (blue light), the seller has 14 days to produce to our office, a negotiable title. If the title is not here on the 15th day, the buyer must call our office to put the sale on a 48 hour hold. The Buyer has the right to return the vehicle *during* the 48 hold period to void the transaction. At the end of the 48 hour hold period, whichever arrives at the auction first (vehicle vs. title) takes precedence. Both Buyer and Seller agree to hold Indiana Auto Auction harmless. Any expenses incurred by the buyer on a returned TA vehicle will not be reimbursed.

10. All 2-wheel drive, multi-purpose, and utility-type vehicles that have the appearance of being 4-wheel drive* must be announced. (* *As determined by the Auction*)

See mandatory Seller Disclosure Requirements on the matrix below:

NAAA Seller Disclosure Requirements or can be arbitrated	Green Light	Red Light
<i>Drivability Issues</i>	Auction Guarantee	AS-IS
Frame Damage, altered, or repaired Frame Damage per NAAA Policy	Yes	Yes
Unibody Damage, altered, or repaired Unibody Damage per NAAA Policy	Yes	Yes
Transmission Problem*	Yes	No
Upper Engine Problem*	Yes	No
Lower Engine Problem (Below Heads)	Yes	No
Sludged Engine	Yes	No
Cracked or Repaired Block	Yes	No
4X4 System is Inoperable*	Yes	No
Diesel Engines	No	No
ABS Problem*	Yes	No
SRS-absence of or problems with (airbags)*	No	No
Emission control equipment missing, modified, or inoperable*	Yes	No
Air Conditioning problems - Calendar year model or newer*	Yes	No
Electrical Problems*	Yes	No
Vehicles without Air Conditioning - Calendar year model or newer (not equipped)	Yes	No
<i>Historical/Non-Visible Issues</i>		
Taxis and Police Cars - Calendar year model and up to 4 years old	Yes	Yes
Flood Damage	Yes	Yes
Fuel Conversion	Yes	No
Lemon-Law/Manufacturer's Buyback	Yes	Yes
Logo or Decal Misrepresentation	Yes	Yes
Non-original engine (excludes items replaced under manufacturer warranty)	Yes	No
Not Actual Miles (previously TMU) or Inoperative odometer (Up to 10 yrs old)	Yes	Yes
Paintwork - Calendar year models and newer	Yes	No
Previous Canadian - Calendar year model and up to 4 years old	Yes	Yes
Salvage or Reconstructed (Including history)	Yes	Yes
State-issued VIN plates (reassigned public VINs) including kit vehicles	Yes	Yes
Gray Market Vehicles	Yes	Yes
Insurance and/or Salvage titles (including history) Except Salvage Sale	Yes	Yes
Vehicles being sold with a CO, MSO, or repo affidavit title (if required by state law)	Yes	Yes
Vehicles being sold with no title (Bill of Sale only)	Yes	Yes
Any state-required damage disclosure	Yes	Yes
<i>Non-Arbitratable Issues</i>		
Glass Damage	No	No
Hail Damage	No	No
Tire Problems	No	No
Upholstery Problems	No	No
Visible Body Damage	No	No
* Must announce defects that are singularly \$500 or more to repair		

BUYER RESPONSIBILITIES

As to any vehicle purchased at the Auction, the Buyer is responsible for the following:

1. Buyer will inspect the vehicle prior to and immediately following the sale. The Buyer must verify the Seller's representations and notify the Auction immediately of any discrepancies within the time frame as stated in this arbitration policy. Buyer should verify odometer reading and operation before leaving the Auction. Mileage must be same as it was when it left the Auction if arbitrated for inoperable odometer.
2. The Buyer will follow Auctioneer's cadence on price - any misunderstanding concerning price must be addressed at the drop of the Auctioneer's hammer (*not following the sale of the vehicle*). A video verification fee may be charged at the Auctions discretion.
3. The Buyer will inform the Auction immediately of any discrepancies as to Seller's representations warranties, and descriptions. Arbitration will be limited to the specific defects described by the Buyer upon placing the vehicle in arbitration.
4. Buyer guarantees sufficient funds are available and will remain on deposit at Buyer's bank to cover all checks and drafts. Until payment and receipt of title, the Buyer shall acquire neither title to the vehicle nor any right to sell or offer for sale.
5. Buyer will pay the bid price plus a Buyer's fee. Payment must be made on day of sale. Floor plan payments must be established on day of sale.
6. Buyer agrees to be liable for any and all work done to a vehicle prior to returning the vehicle to the Auction except on vehicles arbitrated for unannounced conditions not detectable through vehicle inspection (*i.e. stolen vehicle, odometer discrepancy, title discrepancy – does not include title absent*).
7. Buyers should thoroughly check and test-drive every vehicle. If there is any problem, a complaint must be properly filed with the Arbitration Office within the established arbitration time limit. The Buyer assumes responsibility for mechanical failure after leaving the Auction once the arbitration period is over.
8. It is the Buyer's responsibility to watch lights and listen to announced conditions before placing bids. Once the vehicle is sold, the Buyer should check the Block Ticket to confirm the vehicle price and announcements are correct before legibly printing and signing their

name to the Block Ticket. The Auction will not arbitrate defects visible from the block or announced conditions.

9. Mileage and other information written on the window of sale vehicles or in Auction Catalogs are for the convenience of the Buyer and are not to be relied upon as accurate or complete. Buyers should satisfy themselves as to year, mileage, and/or equipment by viewing the actual vehicle prior to bidding. The Auction will not arbitrate vehicles based on incorrect information written on a vehicle or in the catalog.
10. The Buyer is responsible for any pending sale from arbitration.
11. It is strongly encouraged that an **On-Line Buyer** has a Post Sale Inspection (PSI) on vehicles purchased. Normal arbitration time periods **do** apply to On-Line purchases. Any On-Line purchase that does not have a PSI is assumed AS-IS and not subject to arbitration.

SALE DAY, SEVEN DAY and AS-IS ARBITRATION

Vehicles that have any of the following defects, conditions, or discrepancies that were not disclosed or announced at the time of the sale must be reported to the Auction within the time frame noted below in order to be eligible for arbitration. *Any single mechanical defect that has a repair cost of \$500 or more is arbitratable on Green Light vehicles (repair cost will be determined and posted by the Auction). Single defects of less than \$500 are deemed minor and not arbitratable.* Vehicles must be returned to the Auction in the same or better condition than when purchased. Expense reimbursements will be at the sole discretion of the Auction and will be limited to reasonable and documented expenses. Lost profit, commissions, floor plan expenses, and etc. will not be reimbursed. **The arbitration period ends at the close of business on Sale Day, unless there is a pending Post Sale Inspection (PSI).** Seven (7) day arbitration shall end at closing time on the seventh (7th) calendar day following the sale [sale day is day one (1)].

Refer to the matrix below for arbitration time periods for undisclosed defects:

NAAA Seller Disclosure Requirements Time Periods for Buyer Discovery	Arbitration Period	
	Green Light	Red Light
<i>Drivability Issues</i>	Ride & Drive	AS-IS
Frame Damage, altered, or repaired Frame Damage per NAAA Policy	7 Days	7 Days
Unibody Damage, altered, or repaired Unibody Damage per NAAA Policy	7 Days	7 Days
Transmission Problem*	Sale Day Only	N/A
Engine Problem*	Sale Day Only	N/A
Cracked or Repaired Block	Sale Day Only	N/A
4X4 System is Inoperable*	Sale Day Only	N/A
ABS Problem*	Sale Day Only	N/A
SRS-absence of or problems with (airbags)*	N/A	N/A
Emission control equipment missing, modified, or inoperable*	Sale Day Only	N/A
Air Conditioning problems - Calendar year model or newer*	Sale Day Only	N/A
Electrical Problems*	Sale Day Only	N/A
Vehicles without Air Conditioning - Calendar year model or newer (not equipped)	Sale Day Only	N/A
<i>Historical/Non-Visible Issues</i>		
Taxis and Police Cars - Calendar year model and up to 4 years old	7 Days	7 Days
Flood Damage (By Auction Inspection)	7 Days	7 Days
Fuel Conversion	7 Days	N/A
Lemon-Law/Manufacturer's Buyback	7 Days	7 Days
Logo or Decal Misrepresentation	Sale Day Only	Sale Day Only
Not Actual Miles (previously TMU) or Inoperative odometer (Up to 10 yrs old)	7 Days	7 Days
Paintwork – Calendar year models and newer	Sale Day Only	N/A
Previous Canadian - Calendar year model and up to 4 years old	7 Days	7 Days
Salvage or Reconstructed (Including history)	7 Days	7 Days
State-issued VIN plates	7 Days	7 Days
Gray Market Vehicles – Except Canadian	45 Days	45 Days
Insurance and/or Salvage titles (including history) Except Salvage Sale	7 Days After Receipt of Title	7 Days After Receipt of Title
Vehicles being sold with a CO, MSO, or repo affidavit title (if required by state law)	7 Days After Receipt of Title	7 Days After Receipt of Title
Vehicles being sold with no title (Bill of Sale only)	N/A	N/A
Any state-required damage disclosure	7 Days After Receipt of Title	7 Days After Receipt of Title
Flood Damage History (Discovered by DMV or Insurance Company Records)	120 Days	120 Days
* Must announce defects that are singularly \$500 or more to repair		

TITLE ARBITRATION POLICY

1. The Seller guarantees the title of vehicles that are sold through the Auction (non T/A). This guarantee of the title warrants that title shall be marketable and free and clear of all liens and encumbrances, including 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 the Auction and for a period of four (4) years from the date of the Auction sale. The Auction's liability under this title guarantee shall never exceed the Auction sale price of the vehicle, and this maximum amount shall be reduced by two percent (2%) per month following the Auction sale date. All liability under this title guarantee shall expire and terminate 48 months after the Auction sale date. The Auction will not be responsible for any expenses incurred on vehicles returned for late title.
2. All titles submitted by Seller must be in Seller's company name on title or on reassignment form.
3. Clerical Error – If the title problem is due to a clerical or coding error, or incomplete documentation, the Auction shall be given reasonable time after receiving notice to have the error corrected.
4. Procedure – Whenever any claim is made by any person against the title of a vehicle, whether by suit or otherwise, the Buyer, after becoming aware of said claim, shall immediately notify the Auction giving full particulars of the claim, and shall cooperate fully in defending any legal action and in taking other steps to minimize possible loss.
5. The Buyer shall not surrender possession of the vehicle, except as required by legal process, to any claimant, nor shall Buyer voluntarily pay or acknowledge the validity of any claim, without the prior approval of the Auction. Time is of the essence. Any failure on the part of the Buyer to notify the Auction of any claim in a timely manner or failure of the Buyer to cooperate in defending any such claim shall relieve the Auction of any liability under this policy.
6. Seller and Buyer agree that Auction is neither responsible for odometer mileage on the consigned vehicle nor the information contained in the odometer mileage statement and the damage disclosure statement which Seller as Transferor is required to complete and sign, and Buyer as Transferee is required to acknowledge.

7. In regard to defect in title and any matter relating to odometer mileage, odometer statements, or damage disclosure statements: Seller and Buyer agree to indemnify and hold harmless the Auction from any liability, loss cost, damage or expense, including attorney fees which may arise either directly or indirectly from the sale and purchase of the consigned vehicle including but not limited to title services provided.
8. Any sale without proper documents and not sold under the proper light is subject to rejection.
9. Title must be reassigned directly to Buyer. **No** title assigned directly to the Auction will be accepted.
10. Non-titled vehicles – Auction accepts no responsibility for non-titled vehicles sold without title. Seller must announce the vehicle being sold with a bill of sale only and that there is no title to transfer.
11. All non-titled vehicles and equipment will be sold “AS-IS”.
12. SELLER will NOT be paid for vehicles until a transferable title is received.
13. SELLER will NOT be paid for vehicles in arbitration unless or until arbitration is settled, and vehicles are sold.
14. Foreign titles, such as Canadian titles, are unacceptable.
15. Seller’s Title Guarantee: The Seller warrants, represents, and guarantees that he has and will convey a certificate of title, properly executed, valid in the state of South Carolina and clear of all liens and encumbrances (*except current year DMV fees in California*), and that he will warrant and defend the title against the claims and demands of all persons whatsoever.
16. Applications for duplicate title will not be accepted.
17. Seller has seven (7) days to turn in titles for vehicles sold TA (blue light), with the day of the sale being day one (1). Titles turned in on the eighth (8th) day through thirty (30) days from the date of sale will be assessed a fee of \$45. Titles turned in on the thirty-first (31) day or after will be assessed an additional \$40 fee. However, the Buyer reserves the right to return a vehicle purchased TA, fifteen (15) days from the date of purchase.

18. Anyone not having a properly assigned title or reassignment to transfer a title at time of sale must sell "Title Absent".
19. Vehicles lacking lien release must be sold "Title Absent".
20. Any vehicle that is on an MSO must be announced.
21. The Buyer is cautioned not to sell or make repairs on the vehicle until title is received. If title has been mailed from Auction to Buyer, Buyer may not return vehicle. Buyer is required to give the Auction a 48 hour notice before returning a vehicle.
22. Just because a vehicle is returned to the Auction does not mean the Buyer is out of the deal. The vehicle must be received and inspected by Auction management before the Buyer is out of the deal. Any vehicle returned must be in the same or better condition as when sold.
23. Any and all "Title Brands" which may affect a vehicle's value must be announced. Some "Title Brands" include but are not limited to: Lemon-Law, Rental/For Hire, Reconstructed, Stolen Vehicle, Insurance Transfers, and Salvage.
24. Seller will be responsible for the buy fee plus reasonable transportation expenses to and from the Buyer's dealership to the Auction on vehicles returned for "no title".
25. There may be a charge of \$0.10 per mile for excessive mileage on a returned vehicle (*at the discretion of the Auction*).
26. Auction will not be responsible for titles mailed from Auction and not received. Buyer has the choice of alternative delivery method and will pay Auction cost.

GRAY MARKET VEHICLES

1. Only vehicles made in North America for Canadian use and properly converted to U.S. specifications can be sold and must be announced as such. No other Gray Market vehicles are accepted for sale.
2. *Sellers must inform the Auction that a vehicle has Canadian history at time of registration and must disclose that to the Buyer in writing as an announced condition on the block ticket unless the car is five (5) years old or older (see item 7 below).*
3. If a vehicle was manufactured in Canada for the **Canadian Market**, the Manufacturer is required to obtain and affix a U.S. Safety Standard Certification Label to the vehicle.
4. All other vehicles imported from Canada must be imported through a Registered Importer. Registered Importers are required to post a bond with the U.S. Department of Transportation. All vehicles imported through a Registered Importer must have:
 - a. U.S. Safety Standard Certification Label that identifies the Registered Importer
 - b. Valid U.S. Title
5. All Canadian vehicles, whether imported by a Manufacturer or a Registered Importer, must show miles per hour on the speedometer and miles traveled on the odometer. Title 49, United States Code, Chapter 327, Section 32704, allows replacement of odometers without a doorframe sticker if the conversion from kilometers to miles can be done without changing the distance traveled by the vehicle. Therefore, replacement of an odometer under these circumstances does not have to be announced by the Seller.
6. *Previous Canadian vehicles that are current year and up to 4 years old MUST BE ANNOUNCED.*
7. “Gray Market Vehicles” will not be accepted for sale unless they meet ALL Federal D.O.T. / E.P.A Mandated Guidelines. Documentation must be provided. Sellers will not offer for sale any European vehicles.
8. Unannounced **PREVIOUS CANADIAN** vehicles must be reported within seven (7) days of purchased.

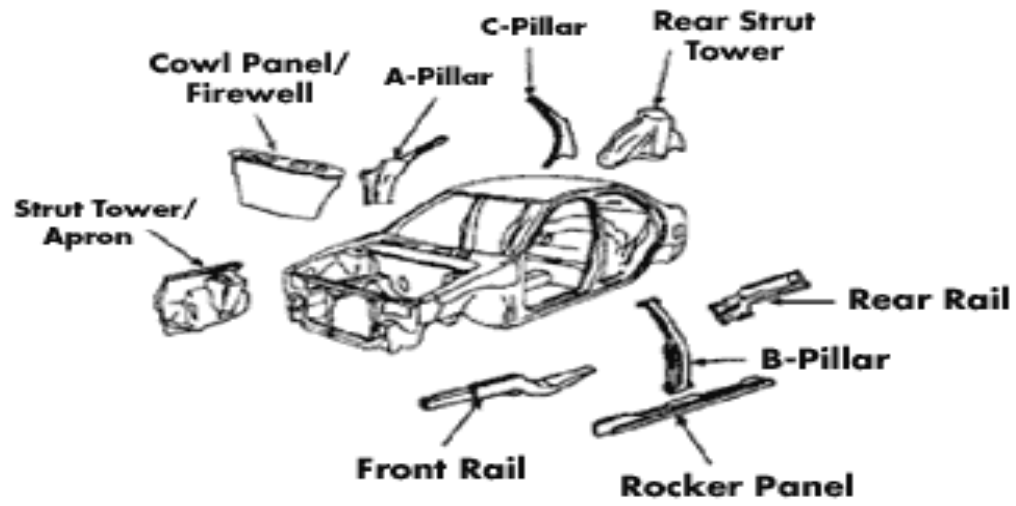
NAAA Recommended Structural Damage Policy

1. Sellers Disclosure Requirements - Seller must disclose structural damage, repairs, or replacements as outlined in this policy prior to selling a vehicle at auction. The recommended declarations are:
 - Structural Damage - The vehicle has structural damage and/or repairs and will not be subject to arbitration under this policy.
 - Certified Structural Repairs - The vehicle has sustained damage to a specifically identified structural component, which has been repaired, and the vehicle has been certified to be within the Used Vehicle Measurement Standard (UVMS). The vehicle, if properly announced, may be arbitrated only for improper repair of the designated area, existing damage or repairs to other areas, or failure to be within the UVMS (see par. 3).
 - Structural Alteration - The vehicle has an altered frame or unibody as specifically announced. The vehicle can be arbitrated only for damage or repairs to structural components other than those disclosed or in the event of improper alteration. Such a disclosure should be made for the following alterations, unless they are clearly obvious by the appearance of the vehicle.
 - Frame lengthened or shortened.
 - Suspension altered.
 - After market accessories installed/removed.
 - No disclosure is required for properly installed towing package.
2. Seller's Disclosure Not Required - No declaration will be required for existing insignificant damage or repair thereof. Insignificant damage is defined as:
 - P.D.R., damage due to transport tie-down, improper jacking or lifting or contact with parking abutments and/or road debris, provided that the vehicle is within the UVMS.
 - Damage solely to glass or bolt-on components
3. Used Vehicle Measurement Standard - For purposes of arbitration under this policy the Used Vehicle Measurement Standard (UVMS) specifications are:
 - The vehicle will measure to a tolerance of no more than +/- 8mm of published specifications in length, width, and height at all master control points; and
 - Symmetrically (comparative measure from side to side and point to point) the length, width and height must measure to a tolerance of no more than 6mm. In each case the fender to door, door to door, and/or door to quarter panel gaps must indicate proper fit of the panels.
4. Measurement of Vehicle - Selling auction will, at its discretion, have a vehicle measured at a facility of its choice. Prior to measurement a vehicle must first visually indicate a physical condition to the measurement. Purchaser will agree to pay for this measurement if the

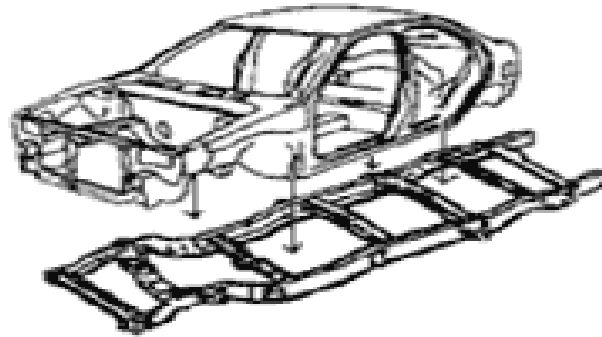
vehicle is within the UVMS. Seller will be responsible for charges if the vehicle is found to be beyond the UVMS.

5. Undisclosed Structural Damage or Repair - A vehicle may be arbitrated if it has undisclosed existing or repaired damage, which should have been disclosed under this policy, even though the vehicle is within the UVMS.
6. Arbitration Period - Buyer must arbitrate improperly disclosed structural damage within 7 calendar days from date of purchase. The vehicle must be returned to the selling auction, or to an auction or facility designated by the auction within 7 calendar days of arbitration.
7. Buyer's Reimbursement by Seller - In the event of improperly disclosed structural damage the Seller will be responsible to reimburse the Buyer for:
 - The actual price of the vehicle,
 - The Buyer's fee,
 - Inspection and arbitration fees incurred at the auction, and
 - Reasonable transportation costs actually incurred transporting the vehicle to and from the Buyer's dealership.

Unibody Structural Parts



Unibody on Frame



IAA Structural Damage Policy

Last updated: 9/2007

1. Sellers Disclosure Requirements - Seller must disclose structural damage, repairs or replacements as outlined in this policy prior to selling a vehicle at auction. The recommended declarations are:

- Structural Damage - The vehicle has structural damage and/or repairs and will not be subject to arbitration under this policy.
- Certified Structural Repairs - The vehicle has sustained damage to a specifically identified structural component, which has been repaired, and the vehicle has been certified to be within the Used Vehicle Measurement Standard (UVMS). The vehicle, if properly announced, may be arbitrated only for improper repair of the designated area, existing damage or repairs to other areas, or failure to be within the UVMS (see par. 3).
- Structural Alteration - The vehicle has an altered frame or unibody as specifically announced. The vehicle can be arbitrated only for damage or repairs to structural components other than those disclosed or in the event of improper alteration. Such a disclosure should be made for the following alterations, unless they are clearly obvious by the appearance of the vehicle.
 - Frame lengthened or shortened.
 - Suspension altered.
 - After market accessories installed/removed.

2. Seller's Disclosure Not Required - No declaration will be required for existing insignificant damage or repair thereof. Insignificant damage is defined as:

- Damage due to transport tie-down if less than 1", improper jacking or lifting or contact with parking abutments and/or road debris, provided that the vehicle is within the UVMS.

3. Measurement of Vehicle - Selling auction will, at its discretion, have a vehicle measured at a facility of its choice. Prior to measurement a vehicle must first visually indicate a physical condition to warrant the measurement. Purchaser will agree to pay for this measurement if the vehicle is within the UVMS. Seller will be responsible for charges if the vehicle is found to be beyond the UVMS.

- The vehicle will measure to a total tolerance of no more than +/- 8mm of published specifications in length, width and height at all master control points; and
- Symmetrically (comparative measure from side to side and point to point) the length, width and height must measure to a tolerance of no more than 6mm. In each case the fender to door, door to door, and/or door to quarter panel gaps must indicate proper fit of the panels.

4. Used Vehicle Measurement Standard - For purposes of arbitration under this policy the Used Vehicle Measurement Standard (UVMS) specifications are:

5. Undisclosed Structural Damage or Repair - A vehicle may be arbitrated if it has undisclosed existing or repaired damage, which should have been disclosed under this policy, even though the vehicle is within the UVMS.

6. Arbitration Period - Buyer must arbitrate improperly disclosed structural damage within 7 calendar days from date of purchase. The vehicle must be returned to the selling auction, or to an auction or facility designated by the auction within 7 calendar days of arbitration.

7. Buyer’s Reimbursement by Seller - In the event of improperly disclosed structural damage the Seller will be responsible to reimburse the Buyer for:

- The actual price of the vehicle,
- The Buyer’s fee,
- Measurement and arbitration fees incurred at the auction, and
- Reasonable transportation costs actually incurred transporting the vehicle to and from the Buyer’s dealership.
- Post-sale inspection fees remain the responsibility of the buyer. This policy is a recommendation only. Its adoption by NAAA members is strictly optional.

Figure 1

Component	Disclosure Requirement		
	Unibody	Unibody on Frame	Conventional Frame
1. Radiator Core Support – Including the upper and lower tie bars, center support or side baffles	None		
2. Frame Rails Extensions (Ears) – On frame vehicles that area at the end of the frame rail to which the bumper, reinforcement or isolators attach.	None		
3. Frame Rails – Including front, center & rear rails.	Existing or repaired damage, or replacement		
4. Spring Pod, and Torque Box or Stabilizer Mount	N/A	Existing or repaired damage, or replacement	
5. Cross members – Except Bolt-Ons	N/A	Existing or repaired damage, or replacement	
6. Apron/Upper Reinforcement Rails	Existing or repaired damage, or replacement		None
7. Strut Tower	Existing or repaired damage, or replacement		None
8. Cowl Panel / Firewall – excluding cowl vent panel	Existing or repaired damage, or replacement		None
9. Support Pillars – “A”, “B”, “C” or “D” Pillars	Existing or repaired damage, or replacement		
10. Roof	Replacement		
11. Rocker Panel – Outer	Replacement		None
12. Rocker Panel – Inner	Existing or repaired damage, or replacement		None
13. Floor Panels	Torn and/or perforated if 1” or more, dented if deflected more than 2” or replacement floor panel		None
14. Quarter or Cab Panel	Replacement		None
15. Rear Body Panel	None		
	Unibody on Frame		Conventional Frame

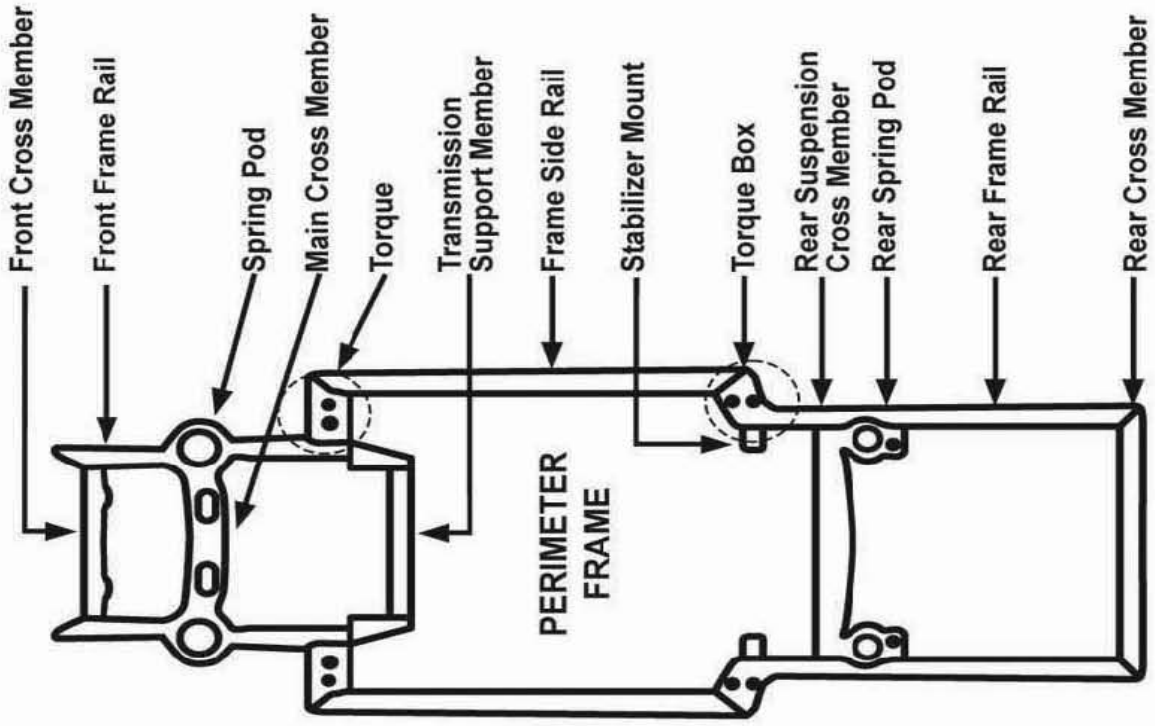


Figure 3

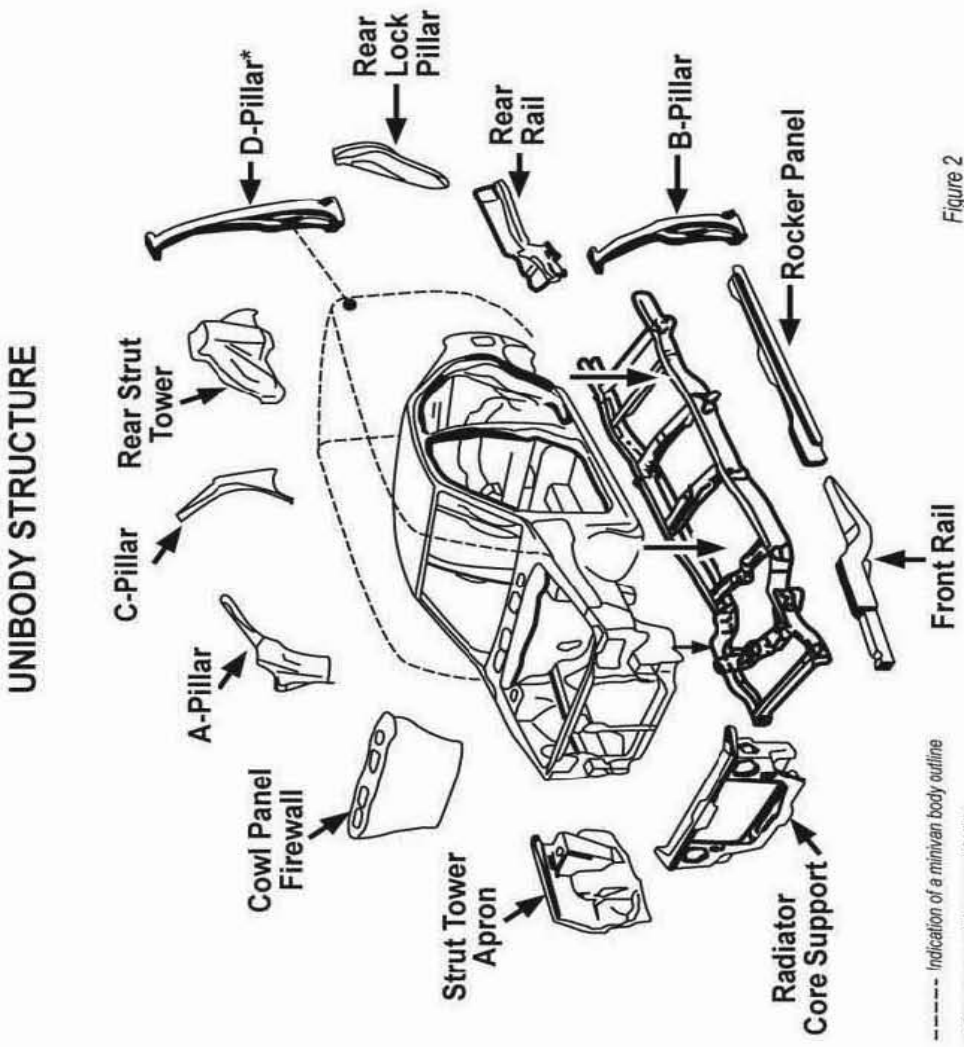


Figure 2

STRUCTURAL DAMAGE POLICY CLARIFYING POINTS

- Towing packages do not require announcement.
- Access holes for Paintless Dent Removal do not require announcement if $\frac{1}{2}$ " or smaller. Many PDR access holes in very close proximity or access holes greater than $\frac{1}{2}$ " need to be assessed on a case by case basis. *Has the structural integrity of the vehicle been compromised?*
- Damaged or replaced core supports are not arbitrable under this policy. Damage to the apron on a unibody in the area where the core support attaches may be arbitrable if significant damage or distortion has occurred. *Will the unibody measure within the UVMS?*
- Welded exhaust hangers are not arbitrable under this policy.
- Floor/trunk panels dented to a depth of 2" or more constitute structural damage and must be disclosed. Tears in these panels that separate welds, rivets or other bonds also must be disclosed.
- Roofs that have been re-skinned do not require disclosure. Roofs that have been cut off or removed and repaired must be disclosed.
- Quarter panel, rocker panel, floor pan, etc. damage to a ladder or perimeter frame vehicle is not structural damage and does not require disclosure.

Frame Identification

Component	Disclosure Requirement		
	Unibody	Unibody on Frame	Conventional I
1. Radiator Core Support – Including the upper and lower tie bars, center support or side baffles		None	
2. Frame Rails Extensions (Ears) – On frame vehicles that area at the end of the frame rail to which the bumper, reinforcement or isolators attach.		None	
3. Frame Rails – Including front, center & rear rails.		Existing or repaired damage, or replacement	
4. Spring Pod, and Torque Box or Stabilizer Mount	N/A	Existing or repaired damage, or replacement	
5. Cross members – Except Bolt-Ons	N/A	Existing or repaired damage, or replacement	