



## **Auction policies and Arbitration guidelines**

### **Hours of Operations**

Office Hours Monday through Friday 9:00am-5:00pm

### **General information**

Speed limit on lot is 5 MPH

No person under 18 years of age allowed

If dealer is caught bringing retail/unauthorized personnel onto TDAA property, the dealers buying privileges will be suspended for that week or that particular day. In addition dealers will still be responsible for all purchases from that day. Repeat offenses by the dealer could result in a loss of privileges indefinitely.

Texas Direct Auto Auction is not responsible for windows being left open and vehicles getting flooded on "Sold" units not removed from the premises following the sale

No vehicle may leave the premises without the proper paperwork or gate release

Any vehicle left on the property will be subject to tow if not removed when requested to do so

All vehicles on the Auction premises are subject to search

Texas Direct Auto Auction will prosecute all persons for theft or tampering with vehicles

Any damage/theft sustained to vehicles not removed from the auction premises following the sale is not the responsibility of Texas Direct Auto Auction

Damage caused to any vehicle(s) by a dealer (or its authorized representative) in excess of \$250 shall result in the purchase of the vehicle(s) in the amount of the protect price or MMR value

Seller guarantees VIN Plates and years on any vehicle up to 20 model years old

Texas Direct Auto Auction has the right to refuse the sale of any vehicle in which the VIN plate appears altered in any way

Texas Direct Auto Auction assumes no responsibility for lost/stolen radios, equipment, or lot damage

Face plates and vehicle equipment not collected one week after sale will be forfeited

Texas Direct Auto Auction is not bound by information listed in Electronic Data Vehicle Histories (i.e. Carfax, Autocheck, etc.) and any vehicle may not be arbitrated solely on EDVH data. Texas Direct Auto Auction may investigate vehicle history based on information found in EDVH for information that may impact arbitration

The sale of the vehicles auctioned shall be final upon final and accepted bid subject to Section 2.401 of the Texas Business and Commerce Code and all risk of loss shall be deemed the risk of the purchaser save and except reservations of the seller and auction of a security interest identified to the goods, securing the sums of money due therein.

Auction reserves the right to review any audio/video documentation to verify the accuracy of the sale

The buyer is responsible for reading or listening to any announcements related to each vehicle prior to the start of the sale

Texas Direct Auto Auction has the right to refuse service or future business to anyone at any time

### **Registration**

Dealers must register prior to attending the auction

Dealers must check in online on the day of sale and be issued a bidder number

All registered dealers are responsible for understanding all rules, policies, and fees

### **Payment / Check Policies**

All purchased vehicles must be paid for before being removed from auction property

All purchased vehicles must be paid in full by 5:00pm on Wednesday following the sale day or a \$50 late fee will be assessed each day until paid in full.

All purchased vehicles must be removed from auction property by 5:00pm Friday. If not removed vehicle (s) will be subject to tow at owner's expense

Acceptable forms of payment: approved business checks, cashiers checks, certified funds, ACH, or dealer floorplan

8300 for will be required for all cash payments per IRS guidelines

Cash will only be accepted at the Texas Direct Auto dealership business office

No temporary or personal checks will be accepted

Business checks used for payment of vehicles must match the purchasing dealer's name

Checks returned for non-sufficient funds may result in termination of all check writing privileges at discretion of auction management

There will be a \$50 charge on all returned checks

### **Fair and Ethical Sale**

The sales made at an Auction are intended to promote fair and ethical treatment to both the Buyer and Seller. If Auction determines that the transaction is not fair and ethical to either party, the Seller and the Buyer agree that Auction may cancel the sale, at its sole discretion. Federal, State, and Local laws supersede these policies where applicable.

### **Auction Role in Sale**

Auction makes no representations or guarantees on any vehicle sold or offered for sale.

Auction is not a party to the contract of the sale. The sales contract is between the Seller and Buyer only.

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 Auction.

Auction reserves the right to review any audio/video documentation to verify the accuracy of a sale.

Any vehicle consigned with the Auction is subject to government inspection, with or without prior notice, by the FBI, State Police, National Auto Theft Bureau, Local Police Authorities, any other governmental agency, or quasi-governmental agency.

### **Auction VIN Policies**

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. Auction reserves the right to refuse the sale of any vehicle in which the VIN plate appears to be altered in any way.

### **Sale Light System**

Auction has a standard light/video display system to describe the condition and/or disclosures related to the vehicle being sold. The system is defined as:

**Green Light - "Ride and Drive"**: The green light signals that this vehicle is guaranteed under the conditions outlined in this policy by the seller. Any defects or issues requiring disclosure per this policy should be announced using the green and yellow lights.

**Yellow Light - "Limited Guarantee"**: This light is an indication to the Buyer that the Auctioneer or Selling Representative has made announcements that qualify/clarify the condition or equipment and limit arbitration of this vehicle in conjunction with the green light or when "limited guarantee" is announced.

**Red Light - "As-Is"**: Vehicles selling under the red light will only qualify for arbitration under the rules outlined in this policy. (As-Is dollar amount, model years, and mileage is subject to local auction policy).

**Red and Yellow Light - "As-Is, No Arbitration"**: Vehicles selling under the red and yellow light will only qualify for arbitration under the rules outlined in this policy. (As-Is dollar amount, model years, and mileage is subject to local auction policy).

**Blue Light - "Title Attached/Title Unavailable/Title Absent"**: This light is used to announce that the title is not present at the time of the sale. For Auction rules regarding titles please refer to the Title Arbitration Policy section. If "title attached/unavailable/absent" is not announced, a vehicle could be arbitrated for no title in the absence of local auction policy.

	Green	Yellow	Red
<b>Ride &amp; Drive Only</b>	✓	N/A	N/A
<b>Ride &amp; Drive with Caution Announcement</b>	✓	✓	N/A
<b>Limited Guarantee Only</b>	N/A	✓	N/A
<b>As-is Only</b>	N/A	N/A	✓
<b>As-is, No Arbitration</b>	N/A	✓	✓

**Seller Responsibilities:**

Seller will be held responsible for the accuracy and completeness of all representations or descriptions. This includes handouts, catalogues, vehicle markings, condition information or vehicle listings and verbal or written statements made by Seller, Auction, Auctioneer or Selling Representative at the time of sale. The Seller understands that the sale light/video display is a binding arbitration representation of vehicle condition, and is therefore responsible for ensuring that their vehicles sell under the correct light in the lane.

Mileage announcements are not required for vehicles that are 10 years or older and/or deemed exempt from Federal/State Odometer and Title disclosure laws unless a mileage discrepancy is known or apparent to the seller. The Seller may represent miles on exempt vehicles; any disclosures made by the Seller and all known odometer discrepancies are grounds for arbitration.

Title discrepancies must be announced including, but not limited to; not actual miles, salvage, theft recovery, stolen vehicle, flood damage, Lemon Law buybacks and trade assist.

If a vehicle is being offered for sale by a third party, the legal owner of the vehicle must be disclosed by the seller prior to the sale. Disclosure requirements and time limits are subject to local auction policy.

Announcements are required for any matters that relate to the safety or integrity of the vehicle including but not limited to the stated dollar threshold and disclosure requirements stated in this policy, all requirements under local, state or federal statutes or regulations. Announcements must be made both verbally and disclosed on the auction invoice/sale contract/bill of sale or equivalent document in a physical or online auction environment

The announcement of the presence of warning lights does not exempt a Seller from arbitration responsibilities as defined by the policy. The issue/defect found to be the cause of the light may be arbitrated within the stated time period and dollar amount threshold according to Appendix 1.

The availability of a manufacturer's warranty shall not affect a Buyer's right to arbitrate a vehicle. Regardless of the warranty coverage in terms of the root cause of the complaint, an announcement may be required.

In the event of a successful arbitration by the Buyer, 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 undisclosed conditions. Reimbursements that qualify under these guidelines will be at the sole discretion of the Auction and will be limited to the reasonable and documented expenses at auction (wholesale) repair cost.

Seller will not be paid for vehicles in arbitration until arbitration is settled and vehicles are sold. For arbitrations occurring after the seller has been paid, seller is required to promptly return the payment to the auction if the transaction is voided as a result of arbitration.

### **Buyers Responsibilities**

Owner of company conducting business is responsible for all transactions conducted by authorized representatives

Dealer must notify Texas Direct Auto Auction, in writing, of any changes in authorized representatives, or ownership structure. Failure/neglect to notify Texas Direct Auto Auction in writing will not release Dealer's obligation. Dealer is responsible for any and all transactions conducted by authorized representatives

All bids will be honored. Buyers failing to pay for vehicle(s) will be barred from Texas Direct Auto Auction. Texas Direct Auto Auction will file against the dealers bond to recover any losses incurred and report dealer to AIA.

Any Disputes in purchase/selling price must be reported to the auction General Manager within 24 hours of the sale date

Buyers must arbitrate flood damage/possible flood damage within 7 days of purchase

Dealers must have a salvage license in order to purchase any salvage titled vehicles

**Prior to placing bids**, the Buyer is responsible for inspecting the vehicle, listening to and reviewing any verbal or written announcements and disclosures made by the Seller, Auction, Auctioneer or Selling representative. Online buyers are also responsible for reviewing all pertinent information available online, including but not limited to announcements, disclosures, condition reports, pictures and online listings. Buyers are also responsible for observing and understanding the sale lights (Green, Yellow, Red, Blue), which identify various sale conditions for the vehicle. Once the vehicle is sold, the Buyer should check the Auction sales receipt or appropriate document to confirm the vehicle price, disclosures and announcements are correct before legibly printing and signing their name or digitally/electronically signing the Auction sales receipt or appropriate document.

It is strongly encouraged that an Online Buyer should have a Post Sale Inspection (PSI), warranty or assurance product from the auction on vehicles purchased.

The auction will not arbitrate vehicles based on any unintentional errors or omissions of any promotional information related to the vehicle, walk-around, handouts, catalogues, vehicle markings, or vehicle listings as they are for the convenience of the buyer and are not to be relied upon as accurate or complete.

Buyer agrees to be liable for any and all work done to a vehicle (including a vehicle purchased as title attached, unavailable or absent) prior to returning the vehicle to Auction except on vehicles arbitrated for undisclosed conditions not detectable through vehicle inspection including but not limited to; not actual miles, salvage, theft recovery, stolen vehicle, flood damage, Lemon Law buybacks and trade assist.

The Buyer is financially responsible for any pending sale and assumes all risk of loss until arbitration is final.

The Buyer or Buyer's agent (transporter or driver) should note any obvious damage on the gate release prior to removing the vehicle from the Auction or facilitation service provider's location. Auction or facilitation service provider and Seller will not be responsible for any obvious damage not identified on the gate release or the condition report once the vehicle is removed from the location.

The Buyer shall not surrender possession of the vehicle to any claimant, except as required by legal process, nor shall Buyer voluntarily pay or acknowledge the validity of any claim, without the prior approval of Auction. Time is of the essence. Any failure on the part of the Buyer, after becoming aware of said claim, to notify Auction of any claim in a timely manner or failure of the Buyer to cooperate in defending any such claim shall relieve Auction and seller of any liability under this policy.

A vehicle is not considered returned until received, inspected and approved for return by Auction management. Any vehicle returned must be in the same or better condition as when sold. Any vehicles delivered to and left on Auction premises without Auction approval remain the sole responsibility of the Buyer. Buyer assumes all risk of loss. Vehicle must be returned in a timely manner consistent with Auction direction.

There may be a charge of \$(auction choice) per mile for excessive mileage on a returned vehicle at the discretion of the Auction.

The Seller/Auction shall not be liable for any vehicle sale or repairs made by the Buyer before the title is received by the Buyer. If the title has been mailed from Auction to Buyer, Buyer may not return vehicle. If the Seller presents a valid negotiable title to the Auction within close of business on the next day (excluding weekends and auction observed holidays) from the time that the Buyer notifies the auction of their intent to return the vehicle, then the transaction will stand.

**Title Arbitration Policy:**

All titles submitted by Seller must be in Seller's company name on 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, and this maximum amount shall be reduced by two percent (2%) per month following Auction sale date. All liability under this title guarantee shall expire and terminate 48 months after Auction sale date. Auction will not be responsible for any expenses incurred on vehicles returned for late title.

Seller warrants, represents and guarantees possession and conveyance of a certificate of title, properly executed, valid in the state where the transaction is occurring and clear of all liens and encumbrances (except current year DMV fees in California), and seller warrants and will defend the title against the claims and demands of all persons whatsoever.

Seller will ensure that the title must be reassigned directly to Buyer. Any title assigned directly to facilitating auction will not be accepted.

Seller will not be paid for vehicles until a transferable title is received.

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. All non-titled vehicles and equipment will be sold "As-Is".

If the title problem is due to a clerical or coding error, or incomplete documentation, Auction shall be given reasonable time after receiving notice to have the error corrected.

Applications or other documents related to a duplicate title will not be accepted, unless announced as such or if allowed by the appropriate jurisdiction.

Foreign titles, such as Canadian titles, are unacceptable.

Seller has up to a maximum of [see Auction Title Policy (Auction Choice)] calendar days for title to be received by Auction. (Sale day is Day 1). After (Auction Choice) calendar day period, it is the Buyer's option to return the vehicle or wait a reasonable period of time for the title. If, after 90 calendar days, Seller has not produced negotiable title and Buyer has not returned the vehicle, this title guarantee shall not apply and Auction shall have no duty to produce the certificate of title to the Buyer and shall have no duty to pay Seller.

Vehicles lacking a properly assigned title or reassignment to transfer a title at time of sale must sell "Title Attached/Title Unavailable/Title Absent", unless announcement is not required within the region.

Vehicles lacking lien release or a valid repo affidavit for a repossessed vehicle (where allowed by law) must be sold "Title Attached/Title Unavailable/Title Absent", unless announcement is not required within the region.

In regard to defect in title, and in any matter relating to odometer mileage, odometer statements, or damage disclosure statements: Seller and Buyer agree to indemnify and hold harmless Auction from any liability, loss costs, 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.

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 Auction. This involves giving full particulars of claim, cooperating fully in defending any legal action, and in taking other steps to minimize possible loss.

### **Grey Market Vehicles: Eligible Vehicles**

Any vehicle not originally built to U.S. specifications can, under certain circumstances, be imported through a registered importer who modifies the vehicle to comply with US equipment and safety regulations and then certifies it as compliant, and an independent commercial importer who modifies the vehicle to comply with US emissions regulations and then certifies it as compliant. Only vehicles properly converted to U.S. specifications can be sold and must be announced as such.

### **Seller Responsibilities**

Seller must inform Auction that a vehicle has grey market history at time of registration and must disclose that to the buyer in writing as an announced condition on all documentation supporting the transaction.

### **Proper Conversion**



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.

All other vehicles imported 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:

U.S. Safety Standard Certification Label that identifies the Registered Importer

Valid U.S. Title

Meet ALL Federal D.O.T. / E.P.A. Mandated Guidelines

Documentation must be provided

All 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 odometers without a door frame 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.

#### VII. Arbitration Guidelines:

Vehicles that have any of the defects outlined in Appendix I that were not disclosed or announced at the time of sale must be reported to Auction within the time frame noted below in order to be eligible for arbitration. The only exception is in the case of the purchase of a Post Sale Inspection (PSI). The purchase of this service may increase arbitration timeframes of items covered in the auction's PSI policy. Vehicles must be returned to Auction in the same or better condition than when purchased.

#### **Time Period**

Refer to Appendix I for arbitration time periods. Sale day is Day 1. Arbitration shall end at the close of business as determined by each Auction on the last calendar day in the time period.

#### **Process**

Any single mechanical defect that has a repair cost of \$500 or more is subject to arbitration on Green Light vehicles. Each vehicle transaction is allowed one chance at arbitration. The arbitrator will inspect only the defect that is on the arbitration form/documents. Repair costs will be determined by the auction and will reflect the auction cost to repair. If price adjustment is made and accepted, vehicle becomes "As-Is" property of the Buyer, and is not subject to any further arbitration. The auction management makes the binding decision upon both the Buyer and Seller on all arbitration matters.

#### **Fees**

Auction reserves the right to assess an arbitration fee to the Buyer. If the arbitration is valid, Auction reserves the right to assess an arbitration fee to the Seller in addition to any charges associated with the arbitration.

**Not subject to arbitration:**

Vehicles exceeding 20 model years, with the exception of trailers, RVs, and watercraft, which cannot be arbitrated if they exceed 10 model years.

Kit vehicles, homemade vehicles, or modified vehicles are sold "As-Is" and cannot be arbitrated for odometer, frame, warranty books, or model year.

Noise and Inherent Conditions: No arbitration can be based on noises or conditions that are inherent or typical to a particular model or manufacturer, unless deemed "excessive" by the arbitrator on non-warranty items. OEM dealer warranty guidelines will be used where applicable to determine whether the condition is excessive. Additional resources can be found on NAAA's Standards page at [www.NAAA.com](http://www.NAAA.com).

Manual Transmissions: Vehicles with standard transmissions cannot be arbitrated for manual clutches unless the defect will not allow a safe test drive.

Wearable Items: Auction will not arbitrate vehicles for wearable items. For purposes of this policy wearable items are defined as parts of the vehicle that the manufacturer recognizes the need for replacement/adjustment during the expected life of the vehicle. These items are normally identified in the Owner's Manual for routine check and replacement and would include, but are not limited to: tires, wipers, brake pads, shoes, rotors, belts, hoses, lubricants/fluids, timing belts, bulbs, filters, shocks and struts.

Unsafe vehicles: Auction reserves the right to reject any vehicle that management judges to be unsafe.

Vehicles may not be arbitrated based solely upon information provided in Electronic Data Vehicle Histories (EDVH) or printed EDVH reports. Auction and Seller are not bound by information listed in EDVH. Examples of EDVH include Carfax, AutoCheck, NMVTIS, etc. The facilitating Auction may investigate vehicle history based on information found in EDVH for information that may impact arbitration.

Auction is not bound by vehicle grades or other types of scoring systems placed upon the vehicle. Buyers may only arbitrate a vehicle based upon damage or defects that were present at the time of the sale of the vehicle.

**Appendix I. NAAA Arbitration Policy Guidelines**

	<b>Green Light Only</b>	<b>Yellow Light Only</b>	<b>Red Light Only</b>	<b>Red-Yellow Light</b>
	<b>"Ride &amp; Drive"</b>	<b>"Limited Guarantee"</b>	<b>"As-Is"</b>	<b>"As-Is, No Arbitration"</b>
<b>Major Components</b>				
<b>Engine problem*</b>	Yes	Yes	No	No

<b>Cracked or Repaired Block*</b>	Yes	Yes	No	No
<b>Transmission Problem*</b>	Yes	Yes	No	No
<b>4 X 4 System inoperable*</b>	Yes	Yes	No	No
<b>ABS problem*</b>	Yes	No	No	No
<b>Emission Control equipment missing or inoperable*</b>	Yes	No	No	No
<b>Air conditioning system*</b>	Yes	No	No	No
<b>SRS-Missing or problem with airbags*</b>	Yes	No	No	No
<b>Vehicle History Issues</b>				
<b>Structural Damage/Certified Structural Repair or Replacement/Structural Alteration per NAAA Structural Damage Policy</b>	Yes	Yes	Yes	No
<b>Not Actual Miles/Inoperative Odometer**</b>	Yes	Yes	Yes	Yes
<b>Salvage or Reconstructed/Theft Recovery/Stolen Vehicles (including history)</b>	Yes	Yes	Yes	Yes
<b>Bonded, Insurance and/or Salvage titles (including history)**</b>	Yes	Yes	Yes	Yes
<b>Flood Damage (By Auction Inspection)</b>	Yes	Yes	Yes	No
<b>Lemon Law/Manufacturer's Buyback**</b>	Yes	Yes	Yes	Yes
<b>State-Issued VIN plates (including kit vehicles)</b>	Yes	No	No	No
<b>Taxis, Livery vehicles, Police cars, Government vehicles</b>	Yes	No	No	No
<b>Previous Canadian vehicles</b>	Yes	No	No	No
<b>Grey Market Vehicles**</b>	Yes	Yes	Yes	Yes
<b>Vehicles being sold with no title (Bill of Sale only)</b>	Yes	Yes	Yes	Yes
<b>Voided Factory Warranty</b>	Yes	No	No	No
<b>Fuel Conversion</b>	Yes	No	No	No
<b>Non-Original Engine (excludes items replaced under Manufacturer's</b>	Yes	No	No	No

warranty) Current model year and up to 4 model years old				
Logo or Decal Misrepresentation	Yes	No	No	No
Bio-Hazard vehicles as required by law	Yes	Yes	Yes	Yes
Flood Damage History (discovered by DMV and/or Insurance company records)	Yes	Yes	Yes	No
Other Issues				
Vehicle Accessory Electrical Problems* (Current model year and up to 4 model years old)	Yes	No	No	No
Paintwork (3 panels or more) on current model year and newer (excludes bumpers)	Yes	No	No	No
Vehicles not equipped with air conditioning (excludes vehicles 10 model years old or older)	Yes	No	No	No
Vehicles being sold with a CO, MSO, or Repo Affidavit title (if required by law)	Yes	Yes	Yes	Yes
Pending state or local DMV fees or taxes over \$100 due on vehicle (if required by law)	Yes	Yes	Yes	Yes
Any disclosure required by law	Yes	Yes	Yes	Yes
*Arbitration time frame. 7 calendar days from day of sale				
*Must disclose defects that are singularly \$500 or more to repair				

## Appendix II - NAAA Structural Damage Policy

### NAAA Structural Damage Policy

May 4, 2015

The purpose of the NAAA Structural Damage Policy is to define and clarify terminology associated with structural damage and to specify the disclosure requirements of the seller for vehicles offered at NAAA affiliated auctions. The policy is intended to provide adequate disclosure to the buyer for informed purchase decisions and to limit arbitrations for the seller. This policy (along with the main Arbitration policy) will serve as the primary criteria for all arbitration proceedings.

### *Definitions*

**Vehicle Structure**-The main load-bearing platform of a vehicle that gives strength, stability and design exclusivity and to which all other components of the vehicle are fastened. For purposes of this policy, there are three macro types:

**Unibody** -A type of structure whereby the floor, roof, panels, etc. are bonded together into one unit, thereby eliminating the need for a separate conventional frame. Unibody structures are typically shorter, sturdy and have thinner wall thickness.

**Unibody on Frame**-A type of structure whereby a unitized structure is bolted to a conventional frame.

**Conventional Frame**-A type of structure consisting of two symmetrical rails (beams) connected by cross-members.

**UVMS**-Used Vehicle Measurement Standard. The commercially acceptable measurement deviation from the vehicle's original structural specification in order for any deviation not to be considered structural damage.

### *Recommended Disclosures*

**"Structural Damage"**-Damage to the structure or a specific structural component of the vehicle. Often referred to as frame damage, although it also applies to Unibody and Unibody on Frame structures in addition to Conventional Frame.

**"Certified Structural Repairs/Replacement"**-Repairs to a specifically identified structural component of a vehicle that has been certified to be within the Used Vehicle Measurement Standard (UVMS).

**Structural Alteration** -An alteration to the vehicle's structure including a lengthened or shortened frame, a modified suspension, or the installation or removal of after-market accessories.

### *Seller Disclosure Requirements*

Sellers must disclose structural damage, repairs or replacements as outlined in this policy prior to selling a vehicle at auction regardless of sales channel or light condition (see main Arbitration policy for light definitions). Disclosures are required for the following:

Any/all existing permanent (non-repairable aka kinked or broken) structural damage as defined in this policy

Improper and/or substandard prior repairs (not meeting OEM repair guidelines)

Repairs not certified to be within the UVMS

Improper alterations to the structure

Lengthened or Shortened structure

Altered suspension that requires the structure to be modified from its OEM form.

After-market accessories installed or removed to the structure.

Towing packages installed (or removed) where new holes are drilled, OEM holes are enlarged, or if the towing package is welded or brazed to the structure.

Multiple access holes (regardless of size) or singular access holes greater than 5/8". Access holes between 1/4" and 5/8" are subject to disclosure based upon location and condition of structural component.

Corrosion of structural components determined by one or more of the following; when the substrate loses its shape, the original bonds near the affected area are loose or no longer in existence, the original thickness of the substrate has been reduced by more than 25%, the affected area can no longer possess its absorption or deflection properties.

Structural tear damage (i.e. transport tie-down) if more than 1" in length (measured from tear start/stop points)

Damage due to improper jacking or lifting that permanently deforms structural components outlined in this policy.

Damage due to contact with parking abutments and/or road debris that permanently deforms structural components outlined in this policy.

Roof bows/braces that have been modified, have existing damage or removed. A replaced roof skin is not a required disclosure in terms of the Structural Damage Policy.

The C pillar/quarter or Cab panel may or may not be a structural component(s) as per the vehicle manufacturer.

#### *Arbitration Rules for Structural Damage*

A vehicle may be arbitrated if it has undisclosed existing damage or repairs, which should have been disclosed under this policy, even though the vehicle is within the UVMS. If structural damage is properly disclosed, the vehicle may only be arbitrated for improper repair of the designated area, existing damage or repairs to other areas of the vehicle not disclosed, or for failure to be within the UVMS.

In the event that structural alteration is disclosed on a vehicle, the vehicle may only be arbitrated for damage or repairs to structural components other than those disclosed or in the event of improper alteration.

Damaged or replaced core supports does not require a structural disclosure under this policy.

Damage to the apron or other ancillary structural components on a unitized structure in the area where the radiator core support attaches may require a disclosure if damage exists.

Brazed exhaust hangers are not a required disclosure under this policy.

Facilitating auction will, at its discretion, have a vehicle measured according to the UVMS at a facility of its choice. Prior to sending the vehicle for measurement, the auction reserves the right

to complete a visual verification of the physical condition of the vehicle to determine that it should be measured. If the measuring facility determines that the vehicle is within the UVMS, the buyer of the vehicle will be responsible for the charges paid to the facility. Likewise, if the measuring facility determines that the vehicle is not within the UVMS, the seller will be responsible for the charges paid to the facility.

Visual evidence supersedes any/all mechanical or electronic measurements.

For measurements according to the UVMS, the following guidelines will apply:

The vehicle structure must measure to a total tolerance of no more than +/- 8 millimeters (mm) of published specification of length, width and height at control points that capture the front (2), center (4) and rear (2) sections of the vehicle.

Symmetrically (comparative measure from side to side and point to point based on point measurement), the length, width and height must measure to a difference of no more than 6mm. Upper body measurements (tram gauge) by themselves will not be adequate.

Buyer must arbitrate any/all structural misrepresentations as outlined in this policy within published timelines (outlined in the main Arbitration policy matrix) from date of purchase (purchase day counts as Day One).

The buyer must contact and follow the arbitration process of the auction where the vehicle was purchased including the auction's direction for return of the vehicle and the timeframe allowed for the vehicle to be returned.

In the event of improperly disclosed structural damage by the seller, the buyer will be entitled to reimbursement in accordance with the main Arbitration Policy.

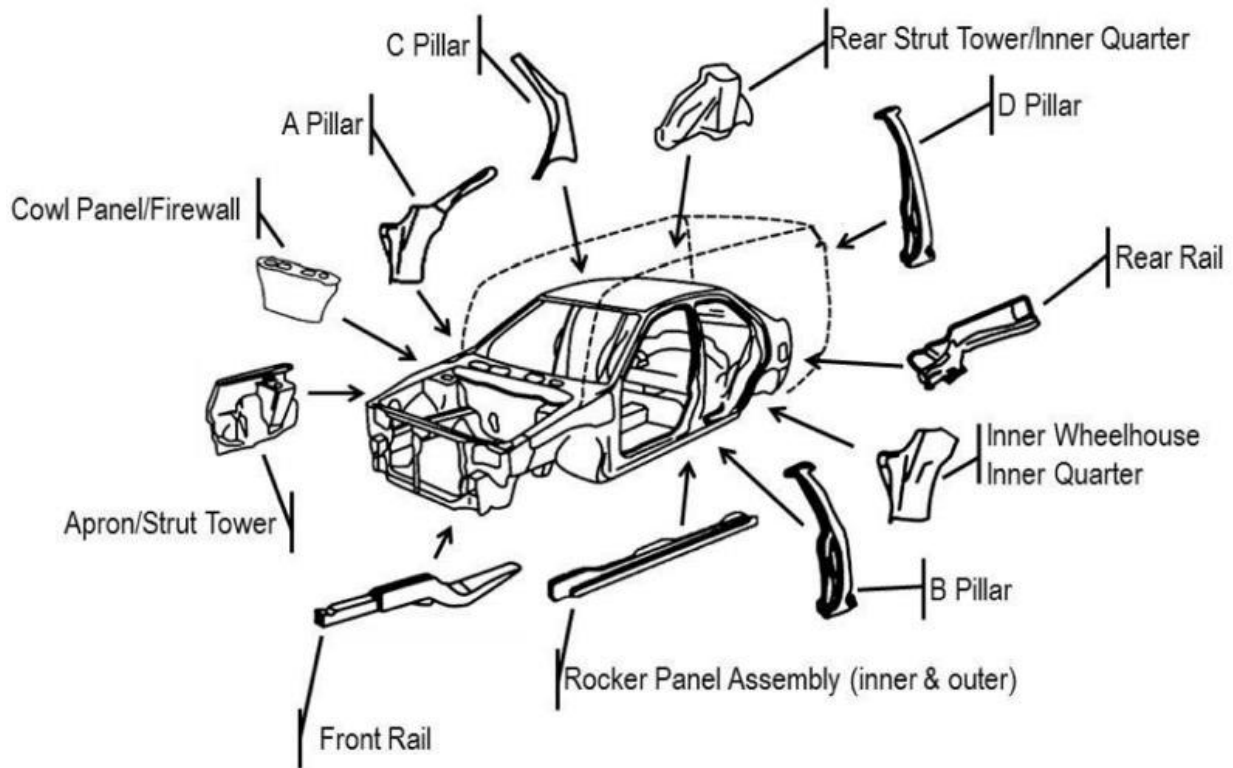
<b>Structural Components</b>		<b>Structural Damage Disclosure Requirement</b>		
		<b>Unibody</b>	<b>Unibody on Conventional Frame</b>	<b>Conventional Frame</b>
<b>1</b>	<b>Frame Rails (Including front, center and rear rails)</b>	Existing Damage, Removed, Modified, Repaired, or Replaced		
<b>2</b>	<b>Spring Pod, Torque Box or Stabilizer Mount</b>	N/A	Existing Damage, Removed, Modified, Repaired, or Replaced	
<b>3</b>	<b>Cross Members</b>	Existing		

	(except bolt-on)	Damage, Removed, Modified, Repaired, or Replaced		
4	<b>Apron Assembly</b>	Existing Damage, Removed, Modified, Repaired, or Replaced		N/A
5	<b>Strut Tower Assembly</b>	Existing Damage, Removed, Modified, Repaired, or Replaced		N/A
6	<b>Cowl Panel / Firewall</b>	Existing Damage, Removed, Modified, Repaired, or Replaced		N/A
7	<b>Support Pillars</b> (includes A, B, C*, D)	Existing Damage, Removed, Modified, Repaired, or Replaced		
8	<b>Roof Braces/Bows</b>	Existing Damage, Removed, Modified, Repaired, or Replaced		
9	<b>Rocker Panel (Outer)</b>	Replacement Only		N/A
10	<b>Rocker Panel (Inner)</b>	Existing Damage, Removed, Modified, Repaired, or Replaced		N/A
11	<b>Floor/Trunk Panels</b>	Tears 1" or more, existing damage, removed, modified, repaired or replaced panels		N/A

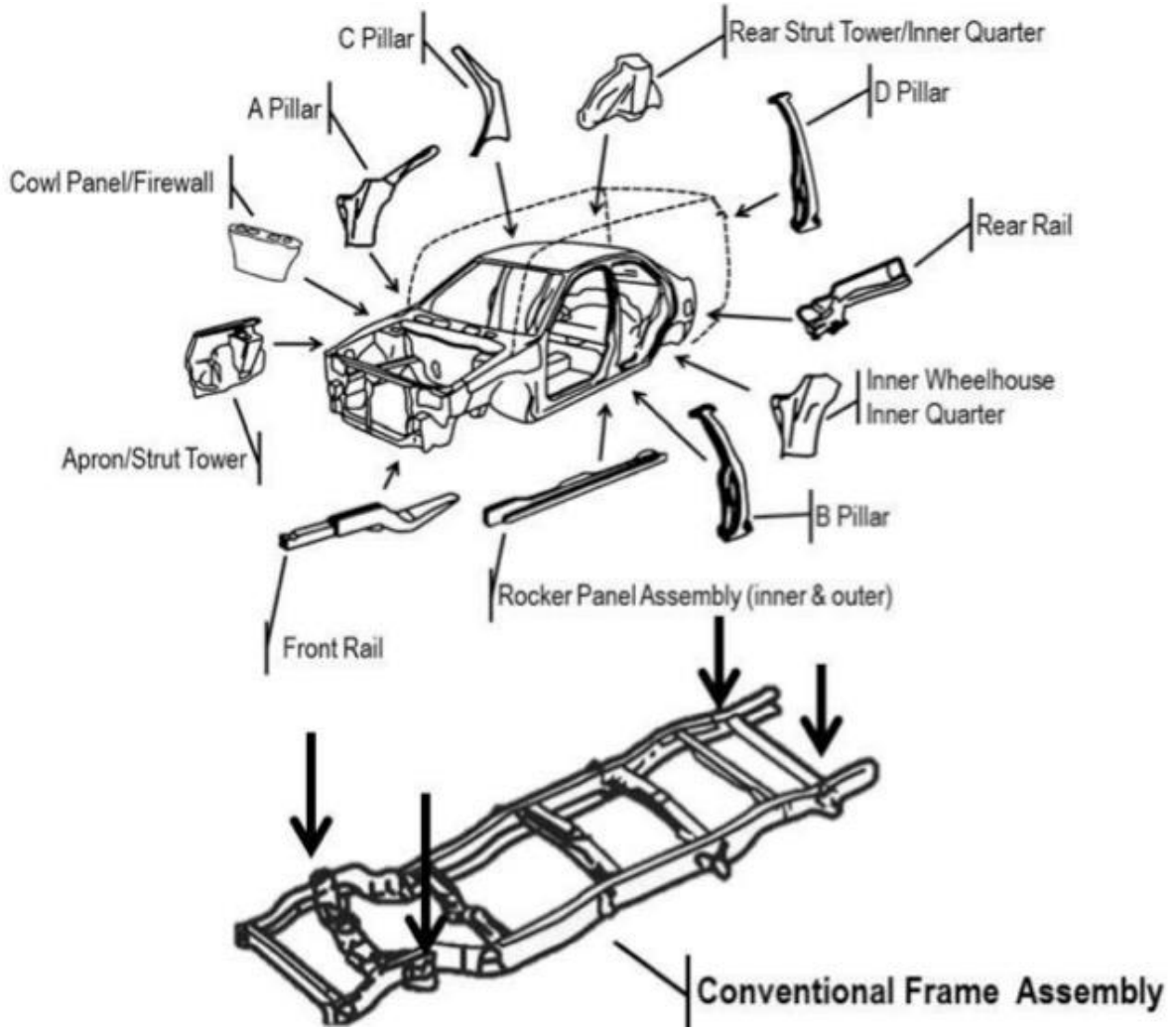


12	Quarter* or Cab* Panel	Replacement Only		N/A
13	Inner Quarter Panel Assembly (includes inner wheelhouse panel, rear strut tower, & wheelhouse extension lower)	Existing Damage, Removed, Modified, Repaired or Replaced		N/A
<i>*Only applies to components deemed structural per the vehicle manufacturer.</i>				

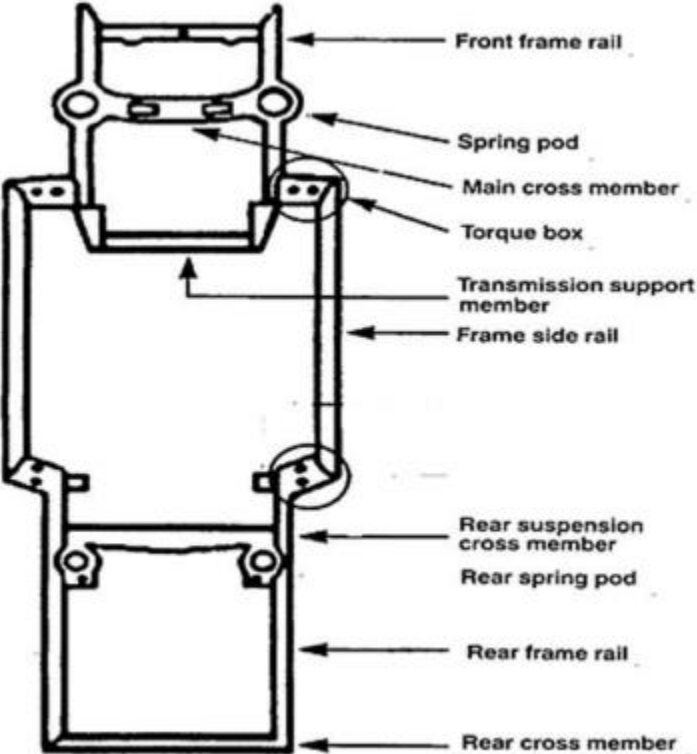
Typical "Unibody" Structure



Typical "Unibody on Conventional Frame" Structure



Typical "Conventional Perimeter" Structure



Typical "Conventional Ladder" Structure

