



Arbitration Policy

Appendix II: NAAA Structural Damage Policy

Effective Date: January 1, 2011

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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.

Definitions

- a) **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 types: **Unibody, Unibody on Frame** and **Conventional Frame**.
- b) **Unibody**-A type of structure whereby the floor, roof, panels, etc. are welded together into one unit, thereby eliminating the need for a separate conventional frame. Unibody structures are typically shorter, sturdy and have thinner wall thickness.
- c) **Unibody on Frame**-A type of structure whereby a unibody structure is bolted to a conventional frame.
- d) **Conventional Frame**-Typically, a type of structure consisting of two symmetrical rails (beams) connected by crossmembers.
- e) **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.
- f) **Certified Structural Repairs**-Repairs to a specifically identified structural component of a vehicle that have been certified to be within the Used Vehicle Measurement Standard (UVMS).
- g) **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.
- h) **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.



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Seller Disclosure Requirements

Sellers must disclose structural damage, repairs or replacements as outlined in this policy prior to selling a vehicle at auction. Specific declarations are required for the following:

- a) Structural Damage as defined in this policy
- b) Improper Repairs
- c) Repairs not certified to be within the UVMS
- d) Improper Alterations
- e) Lengthened or Shortened Frame, unless clearly obvious by the appearance of the vehicle
- f) Altered Suspension, unless clearly obvious by the appearance of the vehicle
- g) After-market accessories installed or removed, unless clearly obvious by the appearance of the vehicle
- h) Towing packages installed where holes (other than OEM holes) are drilled or if the frame is welded
- i) Multiple holes or access holes for Paintless Dent Repair (PDR) greater than 5/8". PDR access holes between 1/4" and 5/8" are subject to disclosure based upon location and condition.

Disclosure is not required for existing insignificant damage (provided that the vehicle is within UVMS limits) or proper repairs thereof. Insignificant damage is defined as:

- a) Damage due to transport tie-down if less than 1"
- b) Damage due to improper jacking or lifting
- c) Damage due to contact with parking abutments and/or road debris
- d) Damage to a quarter panel, rocker panel, floor pan, etc. for ladder or perimeter frame vehicles

Disclosure is also not required for the following:

- a) Towing packages installed using OEM holes do not need any disclosure or announcement
- b) PDR access holes 1/4" or less do not require disclosure
- c) Roofs that have been re-skinned



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Arbitration Rules for Structural Damage

- a) 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.
- b) 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.
- c) Damaged or replaced core supports are not arbitrable under this policy.
- d) Damage to the apron on a unibody structure in the area where the core support attaches may be arbitrable if significant damage or distortion has occurred. This would generally require measurement according to the UVMS.
- e) Welded exhaust hangers are not arbitrable under this policy.
- f) Selling 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 should 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.
- g) For measurements according to the UVMS, the following guidelines will apply:
 - 1) 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 all master control points, and
 - 2) 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.
- h) Buyer must arbitrate improperly disclosed structural damage within 7 calendar days from date of purchase (purchase day counts as Day One).
- i) 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.
- j) In the event of improperly disclosed structural damage by the seller, the buyer will be entitled to reimbursement in accordance with the NAAA Arbitration Policy.



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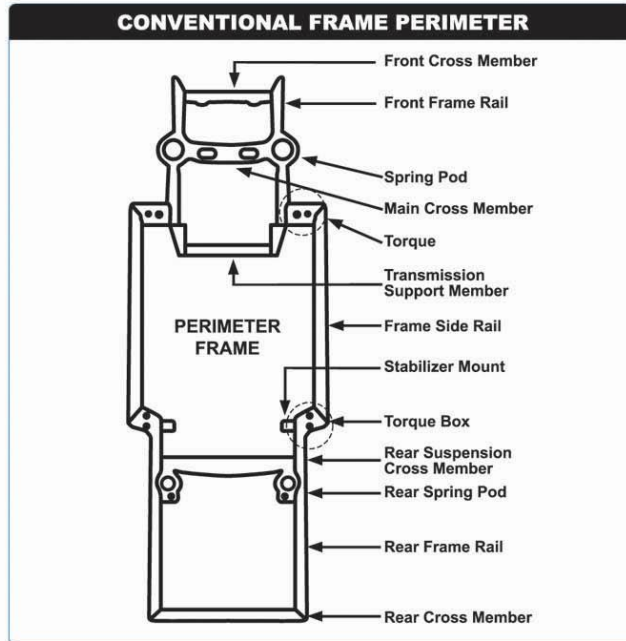
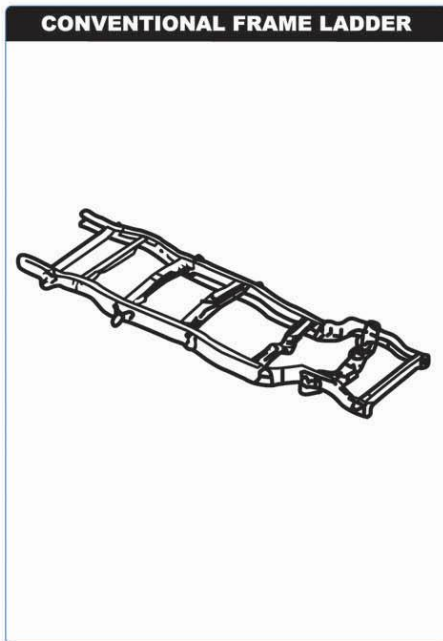
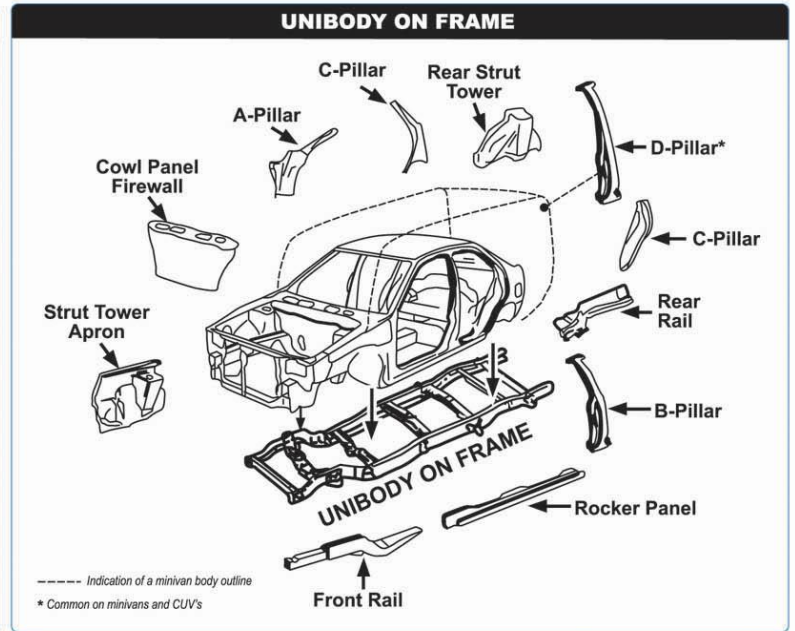
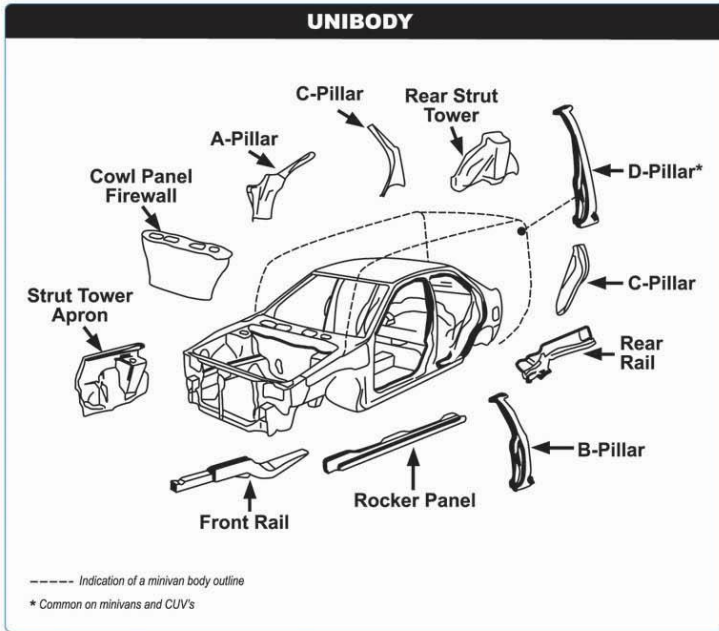
Figure 1 Structural Component	Structural Damage Disclosure Requirement		
	Unibody	Unibody on Frame	Conventional Frame
1. Radiator Core Support – Including the upper and lower tie bars, center support or side baffles	None		
2. Frame Rails Extensions (Ears) – On frame vehicles that area at the end of the frame rail to which the bumper, reinforcement or isolators attach.	None		
3. Frame Rails – Including front, center and 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	If cut off or removed and repaired or replaced		
11. Rocker Panel – Outer	Replacement		None
12. Rocker Panel – Inner	Existing or repaired damage, or replacement		None
13. Floor/Trunk 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		



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Frame Identification

Unibody	Unibody on Frame	Conventional Frame
<ul style="list-style-type: none"> - Strut towers will be present - Rails and floor welded together - No independent rail system - Aprons will be present - Core support typically welded to aprons 	<ul style="list-style-type: none"> - Unibody bolts to frame - Rails independently bolted to suspension and drive train - Has aprons - No strut towers - Rails tend to be a thicker gauge metal (iron) - Core support is typically welded to aprons 	<ul style="list-style-type: none"> - Body is not welded to frame - Rails independently bolted to suspension and drive train - No aprons - No strut towers - Rails tend to be a thicker gauge metal (iron) - Core support is typically mounted by bolts only