



### **Condition Report Disclaimer**

Condition Report grades are for comparison ONLY and NO assumption about vehicle condition should be made solely based on the grade. Buyers are responsible for reviewing the FULL Condition Report and ALL photos. Dealers Auto Auction of Oklahoma City, Inc. is ONLY responsible for missing or incorrect information on the actual Condition Report. Vehicles may NOT be arbitrated solely on any assumption of an incorrect Grade number!

\*\*FYI-Grades are determined by an independent source. The AutoGrade program exists within AutoIMS, a 3<sup>rd</sup> party provider used by Manheim, Adesa, America's, Xlerate, and most independent auctions. Detailed condition report line items and data are submitted, then ran through a computer program that determines the grade based on that information. We as auctions, have no control over the resulting Grade assigned by the program.

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.

A condition report, in its current state, is a visual representation of the physical condition of a vehicle as well as an overall description of the vehicle. It is not a complete mechanical, electrical or structural inspection and is not to be treated as such.

The following is collected as part of the Generic Condition Report:

- Year, Make, Model, Trim
- Odometer
- Visible Exterior Damage
- Visible Interior Damage
- Visible Prior Repairs
- Visible Flood Damage
- Interior and Exterior Options installed
- Obvious structural damage, repairs, replacements, and/or alterations that can be seen without being underneath the vehicle
- Vehicle Images

The following is not collected as part of a Generic Condition Report and will not be disputed nor arbitrated based on the information disclosed (or not disclosed) on the CR:

- Electrical issues (interior and exterior)
- Mechanical issues with the engine, transmission, drivetrain, etc
- Non-visible Structural issues
- Vehicle History (Title, accidents, flood, salvage, theft, taxi, warranty, etc.)
- Open Safety Recalls
- Prior repairs not obvious to visual inspection
- OEM provided option information

# AutoGrade™ - Industry Standard Vehicle Condition Grade

## Defining The Purpose of AutoGrade™

- AutoGrade™ provides consistency of condition grade assessment, across the industry, by removing subjectivity in the condition grade assignment.
- AutoGrade™ is a Manheim developed algorithm that has been made available to the entire wholesale inspection industry via AASC. (US Patent No 8,320,362)
- AutoGrade™ is based on the concept introduced in the NAAA established Condition Grade Scale Guidelines.
- Additionally, extensive research, data analysis, customer and user input has been included to ensure accuracy of a vehicle's calculated condition grade.

## How is AutoGrade™ Calculated?

- AutoGrade™ is a calculation of the overall vehicle condition based on an inspection process that provides a thorough disclosure condition report that captures vehicle conditions, damages and disclosures.
- AutoGrade™ compliant condition reports are written based on an industry standard instruction process to support consistency.
- AutoGrade™ takes into consideration the collective existing and repaired damages captured in the condition report when determining the grade.

## What does impact the AutoGrade™ ?

Item, Damage Type & Damage Severities and their impact on the grading calculations

Major Grade Reductions	Moderate Grade Reductions	Minor Grade Reductions
<ul style="list-style-type: none"> <li>• Hail Damage*</li> <li>• Poor Previous Repairs – Body</li> <li>• Body Damage/Panel replacement *</li> <li>• No Keys Present/Non- Drivable</li> <li>• Structural Damage</li> <li>• Limited Mechanical /Engine Damages**</li> <li>• Fire – Flood – Biohazards</li> </ul>	<ul style="list-style-type: none"> <li>• Glass / Windshield*</li> <li>• Wheel Damage*</li> <li>• Body Damage / Repair*</li> <li>• Tire Replacement Required* (3/32<sup>nd</sup> or less)</li> <li>• Interior Damages*</li> <li>• Damaged / Missing Parts*</li> </ul>	<ul style="list-style-type: none"> <li>• Body Damage / Cosmetic*</li> <li>• Bumpers / Partial*</li> <li>• Tire Wear (4/32<sup>nd</sup> -7/32<sup>nd</sup>)</li> <li>• Acceptable Previous Repairs (per body panel)</li> </ul>

\*Damage Size / Severity / Number of Occurrences per damage line item may have a graduated impact on total grade.

\*\*Please Refer to the "[NAAA Generic Condition Report Position Statement](#)"

## What does not impact AutoGrade™?

Mileage – Odometer Reading	Model Year	Manufacture / Make
Model / Trim Level	Color	Options
Value Add Equipment	Aftermarket Items	MSRP
Announcements	Estimated Repair Costs	

## Q & A

**Q:** Does AutoGrade™ consider the cost of repairs?

**A:** No – Repair labor rates can vary from shop to shop, skewing the grade. AutoGrade™ remains consistent by using the damage descriptions.

**Q:** Does approving repair of high-dollar damage line items impact the grade more significantly?

**A:** Making repairs based on the Major, Moderate, Minor columns above will return the appropriate post-recon grade improvements. Grade is not determined by the price of the repairs.

**Q:** How does AutoGrade™ help a buyer or seller determine the price of a vehicle?

**A:** When AutoGrade™ information is combined with mileage, year, make, model, then used in conjunction with industry valuation tools, the most accurate value can be determined.

For additional information contact your inspection provider or AASC.





## NAAA Vehicle Condition Grading Scale

### **Grade 5 - Vehicle in excellent condition**

- PAINT & BODY
  - Only minor defects in panel surfaces requiring no conventional body or paint work
  - May have had limited high quality repairs performed
  - No missing, broken, or damaged parts that require replacement
  - No visible glass damage
- INTERIOR
  - No missing, broken, or damaged parts that require replacement
  - No cuts, tears, or burns that require repair
  - Shows no signs of wear
  - No noticeable offensive odor
- FRAME/UNIBODY
  - Frame/structure has not been repaired or altered
  - Expected to measure to published specifications
- MECHANICAL
  - Mechanically sound
  - All accessories are operable
  - All fluid levels full and clean
- TIRES
  - All match by brand, size and style
  - Near new condition.

### **Grade 4 – Vehicle is better than average**

- PAINT & BODY
  - Minor chips or scratches in panel surfaces requiring minor conventional body and paint work
  - May require removal of small dents that have not broken the paint using Paintless Dent Repair
  - May have had high quality conventional repairs of cosmetic or light collision damage
  - May require replacement of minor missing or broken part
  - No visible glass damage beyond minor pitting of windshield
- INTERIOR
  - Clean, showing minimal wear
  - May require replacement of minor missing or broken part
  - No noticeable offensive odor
- FRAME/UNIBODY
  - Frame/structure has not been repaired or altered
  - Expected to measure to published specifications
- MECHANICAL
  - Mechanically sound
  - All accessories are operable
  - Fluids may require service
- TIRES
  - All match by brand, size and style
  - Good or better condition.

### **Grade 3 – Normal wear and tear**

- PAINT & BODY
  - May require conventional body and paint work
  - May require replacement of parts
  - May have sustained cosmetic or light collision damage and been repaired to collision industry standards
  - Windshield may be damaged
- INTERIOR

- Shows signs of normal wear and usage
- May require repair or replacement of parts
- FRAME/UNIBODY
  - Frame/structure has not been repaired or altered
  - Expected to measure to published specifications
- MECHANICAL
  - Mechanically sound
  - May require maintenance
  - May require minor repair of accessories
  - Fluid levels may be low or require replacement
- TIRES
  - Average or better
  - Match by size and style

**Grade 2 – Shows signs of excessive wear and tear**

- PAINT & BODY
  - Dents, scratches, and body panels that may require replacement
  - Parts may be broken and missing
  - May have multiple prior repairs performed at substandard levels
  - May have repaired or unrepaired collision damage
- INTERIOR
  - Shows signs of excess wear
  - May have burns, cuts, tears, and non-removable stains
- FRAME/UNIBODY
  - May have repaired or unrepaired frame/structure damage
  - May not measure to published specifications
- MECHANICAL
  - May have mechanical damage that prohibits vehicle from operating properly
  - Engine and/or transmission may be in poor condition
  - Operability of accessories is questionable
- TIRES
  - May be worn or mismatched

**Grade 1 – Shows signs of severe abuse**

- May have sustained major collision damage, but may be drivable
- May be cost prohibitive to extensively recondition this vehicle by automotive industry standards
- Frame/Structure may not measure to published specifications
- May have missing or disconnected mechanical parts
- Although operable, this vehicle is near the end of its useful life
- Operability of accessories is doubtful

**Grade 0 – Vehicle is inoperative**

- Good for parts only
- Mechanical and body parts may be inoperable, disconnected, damaged or missing

**Frame/Structural Note:** Frame damaged vehicles will not exceed a grade value of 2. Frame/Structural Damage is defined in the NAAA Structural Damage Policy. The disclosures required by this policy must be made for grade 2 and lower vehicles if there is existing structural or frame damage, repair or alteration.

**Flood Note:** Flood damaged vehicles will not exceed a grade value of 2. Flood Damage is defined in the NAAA Water/Flood Damage Policy. The disclosures required by this policy must be made for grade 2 and lower vehicles if there is existing or repaired water/flood damage.

**THIS GRADING SCALE IS INTENDED TO COMMUNICATE A VEHICLE'S GENERAL APPEARANCE AND CONDITION. A DETAILED VEHICLE CONDITION REPORT SHOULD BE REVIEWED BEFORE ANY VEHICLE VALUATION DECISION IS MADE. OTHER FACTORS, SUCH AS MILEAGE AND STRUCTURAL DAMAGE/REPAIR DECLARATIONS MAY HAVE A SIGNIFICANT IMPACT ON A VEHICLE'S VALUE AND SHOULD BE CONSIDERED. DISPUTES REGARDING A VEHICLE GRADE ARE NOT GROUNDS FOR ARBITRATION.**

**Grade 5** – The vehicle is in excellent condition, with only minor defects in panel surfaces which do not require conventional body or paint work. Limited high quality repairs may have been performed. There are no missing, broken, or damaged parts and no visible glass damage. The vehicle's frame/structure has not been repaired or altered and is expected to measure to published specifications. The interior has no cuts, tears, or burns, does not show signs of wear and has no noticeable offensive odor. The vehicle is mechanically sound and all accessories are operable. All fluids are full and clean. Tires match by brand, size and style, and are in near new condition.

**Grade 4** – The vehicle is better than average with only minor chips or scratches in panel surfaces which may require minor conventional body and paint work or paintless dent repair. The vehicle may have sustained cosmetic or light collision damage and received high quality repairs. The vehicle's frame/structure has not been repaired or altered, and is expected to measure to published specifications. A minor missing or broken part may require replacement. The interior is clean, shows minimal wear and has no noticeable offensive odors. There is no visible glass damage beyond minor pitting of the windshield. The vehicle is mechanically sound and all accessories are operable. Fluids may require service. Tires match by brand, size and style and are in good condition.

**Grade 3** – The vehicle has normal wear and tear (for example, parking lot dings, small scratches, chips and/or minor broken parts). It may require minor conventional body and paint work or replacement of parts. The vehicle may have sustained cosmetic or light collision damage and been repaired to collision industry standards, but its frame/structure has not been repaired or altered and is expected to measure to published specifications. The interior shows signs of normal wear and usage, requiring repair or replacement of parts. The windshield may be damaged. The vehicle is mechanically sound but may require maintenance or minor repair of accessories. The fluids may be low or require replacement. Tires match in size and style and be average or better.

**Grade 2** – The vehicle shows signs of excessive wear and tear. The body may have dents, scratches, and body panels that require replacement. Parts may be broken and missing. The interior may show signs of excess wear with burns, cuts or tears, and non-removable stains. The vehicle may have multiple prior repairs performed at substandard levels or unrepaired collision damage. The frame/structure may be damaged, repaired or altered and may not measure to published specifications. The vehicle may have mechanical defects that prohibit it from operating properly. Repairs can be made, but the engine and/or transmission may be in poor condition. Operability of accessories is questionable. Tires may be worn or mismatched.

**Grade 1** – The vehicle shows signs of severe abuse or may have sustained major collision damage. It may be cost prohibitive to extensively recondition this vehicle by automotive industry standards. The frame/structure may be damaged, repaired or altered and may not measure to published specifications. The vehicle may have missing or disconnected mechanical parts. Although operable, the vehicle is near the end of its useful life. Operability of accessories is doubtful.

**Grade 0** – The vehicle is inoperative. Mechanical and body parts may be disconnected, damaged or missing. The vehicle's condition renders it suitable for dismantling or scrap.

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**Flood Note:** Flood damaged vehicles will not exceed a grade value of 2. Flood Damage is defined in the NAAA Water/Flood Damage Policy. The disclosures required by this policy must be made for grade 2 and lower vehicles if there is existing or repaired water/flood damage.

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