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## **The Dealers' Forum Guidelines, Terms and Conditions**

The Dealers' Forum will allow you to buy and sell directly with a trusted network of high quality new and used car stores with no transaction fees. It will enable you to get better buy bids on difficult trade-ins by going directly to someone who is looking for that car. Additionally, you will be able to broadcast your "wish list" of cars wanted to our entire trusted network.

Our goal is to give transparency to all dealers on our trusted network. Dealers can see which cars dealers have available and which cars dealers are looking for and then we make the match! All of these transactions will take place with no transaction fees. All you pay is a minimal subscription fee each month regardless of the number of transactions you conduct. We bring efficiency to an inefficient market place and allow dealers to communicate directly with each other to build relationships.

We strive to bring excellence to the automotive marketplace and hope that you will become part of our valued trusted network of dealers and become as excited about this as we are.

Sincerely,

Bill Lauer  
President  
The Dealers' Forum – Southern California

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## **The Dealers' Forum Guidelines, Terms and Conditions**

### **Fairness**

The Dealers' Forum is intended to promote an environment and process that is fair, both for the buyer and seller. If our staff determines that the sale or purchase of any vehicle is not fair or ethical to either party, then we reserve the right to unwind and cancel any sale at our sole discretion.

### **Terms and Conditions**

To become a member of our trusted network of The Dealers' Forum, each dealer must accept the terms and conditions of this agreement referred to herein as "The Dealers' Forum Guidelines, Terms and Conditions". To qualify, each member must be currently licensed and bonded as a new or used car dealer.

### **Fees**

There are no transaction fees to conduct business on our site, regardless of the number of transactions. There is a monthly subscription fee each month to access The Dealers' Forum website. There are no contracts to sign and each dealer will be on a month to month basis. You can contact your regional manager for the current monthly subscription fee being charged. All invoices are due upon receipt. We can bill your credit card automatically each month or we can send out an invoice. If there is a cancellation request, the monthly rate will be pro-rated based on the date the request to cancel was made. All payments are to be made to the address shown on the invoice that is received. If there are any questions, please call the number shown on your invoice.

### **Acceptance Of The Dealers' Forum Guidelines, Terms and Conditions**

The Dealers' Forum is not responsible for any issues that arise from payments, titles, or representations made by the buyers or sellers. Furthermore, you agree to hold harmless The Dealers' Forum from any and all liability resulting from the condition and / or safety of said vehicles regardless of cause. By submitting to our Terms and Conditions, you acknowledge receipt of said Terms, Conditions and Guidelines as set forth.

### **Seller Responsibilities**

- Seller agrees to accurately book out said vehicles. There are some guidelines under section (Kelley Blue Book Guidelines) that can be referenced which will reduce the number of book sheet errors and discrepancies.
- Seller agrees to accurately describe and disclose said vehicles according to The Dealers' Forum Guidelines Terms and Conditions" when posting their vehicle.
- Buyer pays all transportation costs to deliver said vehicle to Seller. Buyer should take into account the location of seller when accepting an offer. Buyer also agrees to have vehicle picked up within 48 hours or 2 days of car being purchased, excluding weekends and all holidays observed by the U.S. Postal Service.

- If vehicle is unwound, seller agrees to have vehicle picked up at sellers' expense and seller will be responsible for roundtrip transport costs.
- Seller agrees to submit title documents to buyer within 30 days of the sale date. When seller's title docs are in, seller agrees to fax them over to buyers DMV clerk for approval. Once title docs are received and approved by buyer, buyer agrees to mail payment to seller within 24 hours. Once seller receives payment, seller agrees to mail all title docs within 24 hours to buyer.
- Seller agrees to attach and deliver the smog certificate with title documents on "Frontline Units" if one is required. Buyer and Seller should use overnight delivery with a tracking system when sending title docs or payment.
- Seller agrees to be responsible for all penalties listed on the current DMV KSR.
- Seller agrees to adhere to and abide by all of "The Dealers' Forum Guidelines, Terms and Conditions".
- Seller agrees to only post vehicles on our site that are available for sale and ready to be picked up, unless they choose the "3 day make ready option"..
- Seller agrees to immediately remove any vehicles from our system that have been wholesaled or retailed to a customer and that are no longer for sale.
- Seller agrees to update his application information whenever prior information is no longer valid.
- Seller agrees to rate buyer on all vehicles sold to ensure the integrity of our dealers on our trusted network.

#### Buyer Responsibilities

- Buyer agrees to adhere to and abide by all of The Dealers' Forum Guidelines, Terms and Conditions.
- Buyer pays all transportation costs to deliver said vehicle to buyer. Buyer should take into account the location of seller when accepting an offer. Buyer also agrees to have vehicle picked up within 48 hours or 2 days of car being purchased, excluding weekends and all holidays observed by the U.S. Postal Service.
- Buyer agrees to notify The Dealers' Forum arbitration department by email within 48 hours or 2 days (excluding weekends) of receipt of said vehicle for any claims that he/she would wish to make that are covered in "The Dealers' Forum Guidelines, Terms and Conditions." If, in the first 48 hours or 2 days of the buyer receiving said vehicle there is an issue, buyer may elect to change "Last Action" to adjust - in the spirit of resolving the issues directly with the seller. If the buyer was unable to resolve the issue with the seller, the buyer would receive an additional 2 days to arbitrate from the time that the vehicles "Last Action" was changed to "adjust."
- Buyer agrees to pay for said vehicle upon approval and receipt of said faxed title documents. Buyer and seller will both mail payment and title docs within 24 hours once the title docs have been faxed over to buyer's DMV clerk. Buyer should use an overnight delivery service with a tracking system.
- Buyer will be responsible for all fees (excluding penalties) listed on the current DMV KSR.
- Buyer will rate seller on all purchases made to ensure the integrity of our dealers on our trusted network.

## **Vehicle Minimum Standards and Compliance For Frontline Ready Vehicles and Fresh Trades**

### **Title Status**

All vehicles must have a U.S title and all vehicles must have titles clear within 30 days.

If the buyer has not yet received the title after 30 days, buyer must give seller 15 day notice to produce title, otherwise buyer may unwind sale of vehicle.

### **Required Vehicle Disclosures**

1. All Vehicles that have an "Out of State" title must be disclosed.
2. Vehicles on M.S.O. (vehicles never previously registered to private owners) must be disclosed.
3. All vehicles must have a clean history on CARFAX and AutoCheck. If not, it must be disclosed.
4. Vehicles that have a past history of rental, taxi, police, or government use must be disclosed.
5. Vehicles that have a Hawaii title must be disclosed.
6. Vehicles that have altered suspension, aftermarket equipment or missing factory, installed equipment must be disclosed.
7. Vehicles with altered emissions, modified exhaust, or high performance parts must be disclosed.
8. All vehicles that are disclosed as "Factory Certified" must meet all factory certifications.
9. All paintwork (excluding bumper covers) must be disclosed.
10. All damages must be disclosed, ie: dents, gouges, scrapes, rips, tears etc...
11. Any aftermarket non OEM items in the vehicle such as navigation, moon roof, or carbon fiber hood etc... must be disclosed.
12. All equipment that came with the car when the car was sold new should still be with the car. If any equipment is missing, it must be disclosed. For example, privacy covers for cargo, boots for convertible tops, jacks, 3<sup>rd</sup> seats, Nav. Cd, headrests etc....
13. If a "Fresh Trades" tires are not disclosed, it will be assumed that they need replaced.
14. All dash lights such as SRS light, check engine light, ABS light must be announced.

### **Disallowed Vehicles**

1. Vehicles that have branded titles are disallowed, such as "Salvage", "Lemon Law Buyback", "True Mileage Unknown", "Flood Damage" "Fire and Insurance Transfers" etc...
2. Vehicles that have Canadian titles or "Gray Market" vehicles are not allowed.
3. Vehicles with missing V.I.N. plates on the dash or state re-assigned V.I.N. plates are not allowed.
4. "Theft Recovery" vehicles are not allowed, whether they were damaged or not.
5. Vehicles with tampered odometers or inoperative odometers are not allowed.
6. Vehicles that have had a color change are not allowed unless disclosed.

### Mechanical

All "Frontline Ready" vehicles are vehicles that are ready to be retailed and parked on the frontline. These are vehicles that have been inspected by technicians and have been reconditioned. These vehicles should have no knocks, pings, misfire, lifter noise, squeaks, rattles, vibrations, abnormal noises, smoke, or leaks. The Vehicle's Systems (Power train, Fuel, A/C, Electrical, Suspension, Emissions, Cooling, Brakes, Exhaust) should function properly according to factory specs. The vehicle should drive straight, and should be aligned properly, no pulling to one side and no excessive tire noise or pulsating of the brake pedal. These vehicles should operate properly and function well. All of the components should work as the factory designed them to work, inside and out.

### Oil Leaks

Vehicles may have seepage near pans, gaskets, seals, and joints etc... This would not be grounds for arbitration. If the oil is wet and or dripping then it would be grounds for arbitration as long as the oil was not residue from a previous repair and or a recent oil change.

### Tires

Tires should meet a minimum tread depth of 5/32 and should be of proper load and speed rating and size as dictated by the manufacturer. All four tires must match. They should be of the same load rating, speed rating, size, brand and model. Tires should not have cupping on the tread, or have uneven wear or gouges on the side walls. Tires must have sufficient tread remaining on the inside and outside tire edges.

### Brakes

Brakes should have at least 50% life left (to the end of the pad, not to the brake sensor). The brakes should work well. There should be no pulsating of the brake pedal, squeaks or squeals and the pedal should not be hard.

### Wheels

Wheels should not have excessive wear or curb damage. The metal or alloy should still have a "like new" look and be free of scrapes. Any damage must be disclosed. Aftermarket wheels must be disclosed.

### Exterior (**ALL PAINTED PANELS MUST BE DISCLOSED** – Excluding bumpers)

The vehicle's exterior should be glossy or shiny and free of dents, dings, scratches, and scuff marks. If a panel was painted, it should match the other panels adjacent to it, in appearance, color, and should be shiny. "Orange Peel" should be at a minimum, and it should be free of drip marks, sanding marks, "fish eye", dirt, dust particles, and paint runs. The quality of work must be high. Touch ups must be small in nature and should be done in low visible areas. If a car has a long scratch, it should go to the body shop and should not be touched up. Or if the scratch is in the middle of a hood in a highly visible area it should not be touched up, but should go to the body shop. Any significant damage or dents must be disclosed. All panels should align and bumper covers should be attached properly and be level. There should be no visible rust on the vehicle. The components under the hood and/or under the car should not have visible rust (excluding flash rust). If

excessive rust is visible, it must be disclosed. The windshield should be free of cracks, chips and major pits. Every vehicle has imperfections. A minor imperfection or flaw such as a ding or scuff or pit in a windshield will not be reason for arbitration. The better you describe your vehicle the higher your user rating will be.

### Interior

The interior of the vehicle should appear clean. The upholstery should be free of rips, tears, burn marks, stains, discolorations or holes. Carpet should be free from holes or excessive wear. Seatbelts should not look tattered or excessively worn and should function properly. The dashboard should be free of scratches, impressions, drill holes, cracks, and should not be faded. Leather in the vehicle should be free of visible cracks. Steering wheels should not twist or have loose wraps and should not be excessively worn. If an aftermarket radio was installed, it should be disclosed and it should fit properly in the dash with no unusual spaces above or below the radio. No dash lights should be on ie: SRS light, ABS light, Check Engine Light etc... Seats and mirrors should work properly whether they are power or manual. The seats should not be loose and should function according to factory specs. There should be no foul odor inside the vehicle which would deter a potential customer from buying the vehicle. All components inside the vehicle should work as they were designed to work from the factory. Any aftermarket non OEM items in the vehicle such as navigation, moon roof, or carbon fiber hood etc... must be disclosed. Every vehicle has minor flaws or minor imperfections. A minor imperfection or flaw such as a tiny wear spot or little scuff will not be a valid reason for arbitration.

### Keys

At least one master key and one remote (if originally equipped) must accompany the vehicle. If you have disclosed that your vehicle is a "Factory Certified" vehicle then you must have the number of keys that is required to meet factory certifications.

### Undercarriage

The undercarriage of a vehicle should be free of major dents and damage. Surfaces that were designed for lifting by jack components may have some small dents, but will have not torn through the metal. Frame rails that have small scrapes and normal wear and tear is acceptable on the vehicle given the year and mileage as long as the rails are not crushed, flattened or have damage inconsistent with normal driving. Any seams or spot-welds that are separated or torn apart would not be acceptable. Vehicles that have excessive rust, ie: east coast cars, and "beach close" cars must be disclosed. Vehicles that have had flood damage are not allowed. Suspension components must be intact and exhibit appropriate wear and tear given the mileage and year of the vehicle.

### Missing Factory Installed Equipment

All equipment that came with the car when the car was sold new should still be with the car. If any equipment is missing, it must be disclosed. For example, privacy covers for cargo, boots for convertible tops, jacks, 3<sup>rd</sup> seats, Nav Cd, headrests etc....

### Fresh Trades

Fresh trades are expected to need reconditioning. All of the same required disclosures that apply to "Frontline Ready" units will also apply to "Fresh Trades". The difference between "Fresh Trades" and "Frontline Ready" units is that "Fresh Trades" have not been reconditioned for a retail ready status. Fresh trades cannot be arbitrated for wearable

items or items that are properly disclosed by the seller. Wearable items would be defined as parts of the vehicle that the manufacturer would deem as routine “check and replace”. These items would typically be identified in the owner’s manual. Some of the items would include tires, brakes, shoes, rotors, battery, belts, hoses, shocks, struts, fluids, filters, wipers, bulbs, timing belts and a manual clutch.

### **Posting Statutes**

**“Franchise Frontline”** -- These vehicles may not have undisclosed cumulative defects, damages and/or discrepancies in excess of \$300 (wholesale cost) to repair. All safety items, such as brakes, tires, lights, horn, and seatbelts must meet standards defined by The Dealers’ Forum terms and conditions.

**“Non-Franchise Frontline”** -- These vehicles may not have undisclosed cumulative defects, damages and/or discrepancies in excess of \$500 (wholesale cost) to repair. All safety items, such as brakes, tires, lights, horn, and seatbelts must meet standards defined by The Dealers’ Forum terms and conditions.

**“Fresh Trades”** --These vehicles may not have undisclosed cumulative defects, damages and/or discrepancies in excess of \$500 (wholesale cost) to repair excluding wearable items. Wearable items are defined as parts of the vehicle that the manufacturer deems as routine “check and replace” in the owner’s manual. Typical items include but are not limited to tires, brakes, shoes, rotors, battery, belts, hoses, shocks, struts, fluids, filters, wipers, bulbs, timing belts and manual clutch.

**“As-Is”** -- This posting is reserved for sellers who do not want there to be any minimum dollar amount to arbitrate due to undisclosed cumulative defects, damages and/or discrepancies.

**“Three Day Make Ready”** This vehicle will be ready to pick up within 3 business days of the date of sale. This status is typically used by remarketers who are in the process of reconditioning the vehicle.

**“Trading Service”**— Please check this box if you would like our personal trade specialist to actively help get you out of cars that you are buried in. The fee for this service is \$95.00 per car.

### **Frame Damage**

We will outline below what we deem “Frame Damage” for the purposes of buying and selling vehicles through The Dealers’ Forum. Our definitions of “Frame” greatly coincide with the NAAA Recommended Structural Damage Policy (please see the NAAA component list below). Time to arbitrate frame damage is 10 business days from the time the vehicle was delivered.

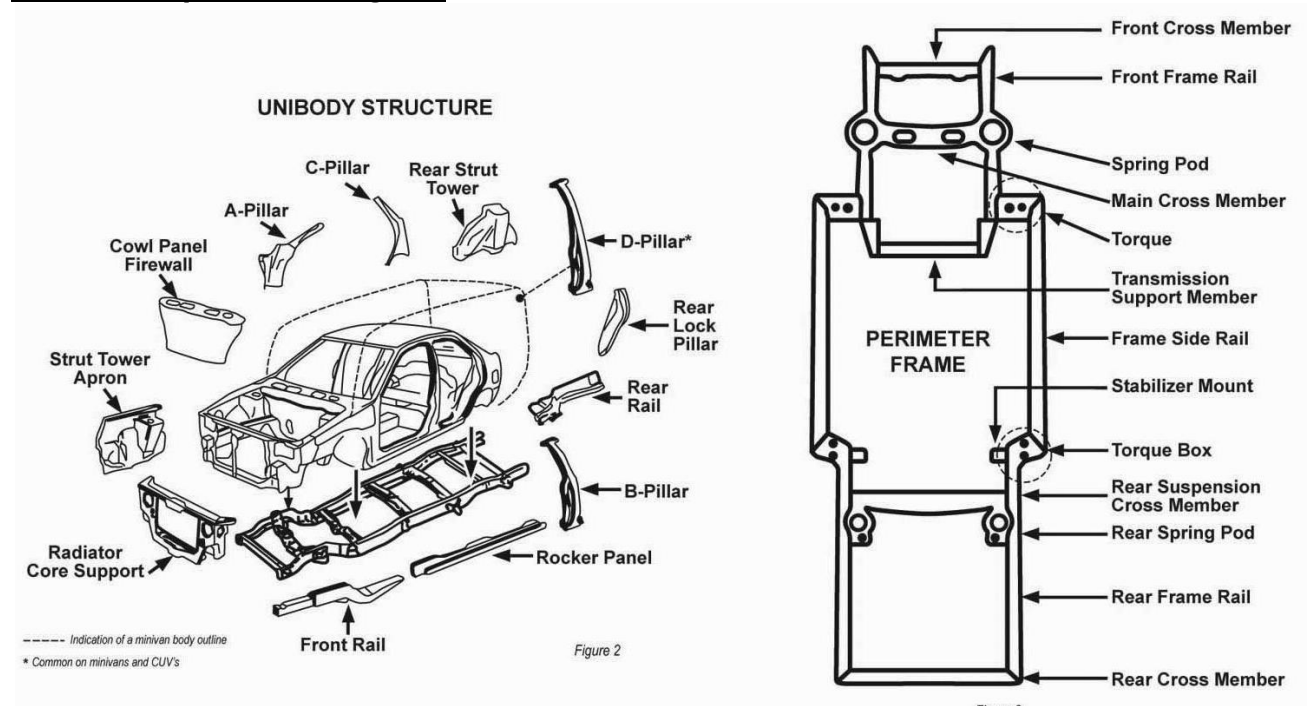


***Repaired or existing structural damage, or replacement of the following items and or components will be treated as "Frame Damage". Frame damage is a required disclosure.***

### **NAAA Components List**

- Radiator Core Support (except bolt-on) - Including upper and lower tie bars, center support or side baffles
- Frame Rail Extensions or Ears (except bolt-on) - Area to which the bumper, reinforcement or isolator attach
- Frame Rails - Including front, center, and rear rails
- Spring Pod, Torque Box or Stabilizer Mount
- Cross members (except bolt-on)
- Apron/Upper Reinforcement Rails
- Strut Tower
- Cowl Panel/Firewall ( excluding cowl vent panel)
- Support Pillars (A,B,C,D, Pillars)
- Roof (Replacement )
- Rocker Panel (Outer)-(Replacement)
- Rocker Panel (Inner) –(Existing, Repaired Damage or Replacement)
- Floor Panels (If Torn and/or Perforated or deflected more than 2 inches)
- Quarter or Cab Panel (Replacement)

### **NAAA Components Diagram**



### **Used Vehicle Measurement Standards (UVMS) specifications are:**

- A. 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
- B. 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.
- C. No frame will be deemed if due to insignificant damage or repair. 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 UVMS.

Any altered suspensions or aftermarket accessories that have modified the frame must be disclosed.

### **Auction**

- 1. Any vehicle that is placed in the Auction and reserve met, will automatically be marked sold at the end of the Auction.
- 2. You may hit the "Buy Now" price, prior to the auction starting, if you would like to own the car outright.
- 3. When the auction ends, Dealers Preferred Transport will facilitate the transportation of all sold vehicles at the selling dealer's expense. They will strive to get reasonable rates and fast shipping. The selling dealer will be invoiced directly from the transporter that is used.
- 4. If a vehicle is retailed prior to being sold in the auction, the vehicle must be withdrawn from the auction immediately.
- 5. If a vehicle sells in our auction, but then the selling dealer retails the vehicle prior to being transported, the selling dealer must provide The Dealers' Forum a copy of the "Report of Sale" within 24 hours. The Report of Sale would be faxed to 888-292-4578 and is mandatory.
- 6. Once a car is sold in our auction, this sale supercedes any offers that may have been made on the car under the "Offers Tab" regardless of the dollar amount.

### **Rating a Dealer**

After every transaction, each dealer will be asked to rate the other dealer on the transaction that took place. There is a buyer rating, a seller rating, and an overall rating (weighted average). Ratings are very important. Each rating follows the dealer and not the dealership. So, every car you transport and sell brings your reputation with it. It is very important to accurately describe your vehicle. Your car doesn't have to be perfect, but your description of the car should be as perfect as possible. If a dealer's rating falls to low, dealers will no longer want to conduct business with that dealer. The Dealers' Forum reserves the right to cancel membership to any dealer whose rating falls below acceptable levels. **Tip: Having Vehicle Inspection Reports performed on your vehicle for sale maintains the accurate description of your vehicle thus ensuring you a high dealer rating.** The Dealers' Forum reserves the right to delete unfair ratings at our sole discretion at any time.

### **Third Party Vehicle Inspections**

We have negotiated a contract with Allied Inspection Management (AIM) to perform independent, unbiased, comprehensive, high quality inspections. These inspections can be performed on cars that you wish to sell or buy. Inspections are highly encouraged for the reasons stated below.

1. Vehicle Inspections give buyers the confidence they need to offer you top dollar on the vehicle that you are selling because they can see exactly what they are getting. No hidden surprises means fewer unwinds.
2. It ensures that your dealer rating will be kept in tact. No more mistakes or inaccurate descriptions of your vehicle means that you will get a higher rating from your buyer. Thus, attracting more buyers to bid on your vehicles in the future.
3. If you are a buyer seeking a vehicle that is far away. Instead of having it shipped, you can have it inspected to make sure that it is the vehicle that it is proclaimed to be. No more wasted time sending it back.

**Who ever requests the inspection, pays for the inspection.** All inspections will cost \$75.00 for a single inspection. If there are 2 or more inspections at the same location on the same day, the cost is reduced to \$55.00 per inspection. All vehicle inspections will be performed within 48 hours or 2 days of request, although some inspections may be finished within 24 hours. All inspections performed will be billed to you by The Dealers' Forum-Southern California and not AIM. All invoices are due upon receipt. If you wish to cancel an inspection request, contact us immediately.

### **Guidelines for Kelley Blue Book**

In order to have fewer Kelley Blue Book errors we will give standards for all of our trusted dealers on our network to follow. These standardizations will cut down on the "gray" areas and make it more clear.

1. Premium sound: An add for premium sound is used for high- end OEM factory installed audio systems such as Mark Levinson, Rockford Fosgate, Nakamichi, Bose, Jbl etc....
2. Premium Wheels: This add is reserved for high end wheels that are polished or chromed aluminum wheels. Vehicles that have a standard alloy wheel could have an optional larger wheel which could then be deemed a premium wheel and thus deserve the premium wheel add.
3. Navigation systems: Navigation can only be given an add whether it is an OEM installed unit. However, aftermarket navigation systems must be disclosed.
4. Tow Package: Tow packages can be given an add if they are welded or mounted to the frame. Ball type hitches do not constitute an add.
5. Custom Bumpers: This add is reserved for bumpers on trucks only, not SUVs such as Jeep Grand Cherokees or Tahoes.
6. Oversize Offroad /WideTires: These tires must be substantially larger and or wider than the factory OEM installed tires to get this add. Also, oversize or wide tires must be disclosed.

7. Running Boards: Running boards do not have to be OEM to get an add. As long as they are similar in appearance and length they qualify.
8. Rear Air Conditioning: In order to get this add, there must be a second a/c unit equipped on the vehicle.
9. Tonneau Covers: Tonneau Covers are typically metal or fiberglass and must be solid in nature and will lock down. Vinyl covers with snap buttons do not qualify for this add.
10. Bedliners: Bedliners can be plastic or sprayed on such as a Rhino liner.

#### Additional KBB Guidelines

In this marketplace, we have seen upswings and downswings on vehicle values like never before. So to make it fair for all dealers on this site we have standardized the following.

1. If an offer is accepted in the same KBB effective dates period as the offer was made, then the buyer cannot arbitrate said vehicle for KBB value changes in subsequent periods, regardless of the amount of change. For example, if an offer is accepted on Thursday morning, and then new KBB values come out Thursday night, then the buyer receives said vehicle on Saturday and subsequent KBB values have dropped, then this would not be a valid reason for arbitration.
2. If the seller accepts an offer that was made in a prior KBB effective dates period, then the buyer has the right to rescind the offer and or request adjustment.

#### Arbitration Rules

These policies are put in place to provide an environment that is fair, both for the buyer and seller to conduct great business. In addition to these policies, integrity, fairness, honesty and good business practices play a vital role in the success and growth of everybody on our trusted network.

#### Time To Arbitrate

If you feel that a vehicle fails to meet any of "The Dealer" Forum Guidelines, Terms and Conditions" then you may request arbitration or you may elect to mediate directly with the seller yourself. If you wish to arbitrate, we must be notified through email within 48 hours or 2 days from the time the vehicle is delivered to buyer excluding weekends and holidays that are recognized by the U.S. Postal Service.

#### Labor/Parts Rates

To help standardize this process and resolve arbitration issues that arise, the following labor and parts rates will be used. The Dealers' Forum will use the OEM Flat Rate Labor Guide to determine the number of hours a repair will take. The labor rate that we will use is \$100.00 per hour. All parts will be retail cost minus 20%.

#### Returned Vehicles

If arbitration agrees with the buyer and an adjustment cannot be made, the seller agrees to pay transportation both ways. If arbitration agrees with the seller the buyer must purchase the car. However, if the buyer refuses to pay seller for the car, then the buyer must pay transportation both ways and said buyer may not be allowed to conduct any future business through The Dealers' Forum.

If buyer purchases a fresh trade from seller and the title is not produced by the seller in the allotted time, then said buyer may return vehicle to seller and seller must reimburse buyer

for monies spent on reconditioning up to a maximum amount of \$2000. To calculate monies spent of reconditioning, buyer and seller will use the agreed upon labor and parts rates outlined above, (see arbitration rules).