

**ATTENTION DEALER – TERMS AND CONDITIONS ARE ON THE FOLLOWING TWO PAGES.
AFTER SIGNING, PHOTOCOPY BOTH PAGES FOR YOUR RECORDS.
AAAG – Lone Star LLC dba Texas Lone Star Auto Auction**

TERMS AND CONDITIONS

LAW

This is a "Dealer Only" Auto Auction operated by AAAG – Lone Star LLC dba Texas Lone Star Auto Auction, a Texas Corporation hereinafter be referred to as TLSAA. All properly state licensed Auto Dealers must have a completed TLSAA approved registration forms on file. TLSAA reserves the right to disapprove any application without cause or recourse. All agents must have written authorization of the owner on file with TLSAA. The owner is defined as the person(s) whose name(s) appear on the Surety Bond on file with DMV and if a corporation a registered officer or director on file with the Secretary of State. Registered Dealers are responsible for all actions of their agents.

WARRANTIES

TLSAA, auctioneers, and clerks do not act as agents for, or represent the buyer or seller, but merely provide a medium for bringing together the buyer and seller for the purpose of a sales transaction. ALL RESPONSIBILITY AND GUARANTEES LIE BETWEEN THE BUYER AND SELLER. Each auction is recorded on audio tape and video and will be utilized to settle all disputes regarding statements made concerning the vehicles offered for sale.

SALES LISTING

Every effort is made to assure the correctness of the listing of vehicles being offered for sale. TLSAA, auctioneers, and/or announcers are not responsible for errors or omissions, and assume no liability, on its behalf, or in behalf of the selling dealership as to any statement, either verbal or written, regarding the vehicles sold. The selling dealership guarantees the vehicles listed only as to the year, make, model and mileage as indicated. All announcements made from the auction block prior to and during the sale of a vehicle will hold precedence over anything printed on the sale listing provided or printed on the windshields of the vehicles selling.

SELLING DESCRIPTIONS

All vehicles are sold with no warranty expressed or implied.

THERE IS NO GUARANTEE ON ENGINES UNLESS SOLD ON A RIDE AND DRIVE.

MONITORING SCREENS

"BLACK SCREEN" - "AS IS" Any vehicle offered for sale and marked or announced "AS IS" cannot be turned down for any reason including structural damage, transmission, odometer discrepancies or any other reason including any remarks on AutoCheck! Any vehicle pushed through the sale is automatically sold AS-IS. There are no gray areas.

"BLUE SCREEN" - "TRANSMISSION GUARANTEE" Any vehicle that sells for more than \$5000 and is not announced or marked "AS IS" has a guarantee on the Transmission, Rear End and Transfer case to operate properly. However, repairs have to be more than \$500 to arbitrate. Buyer has until close of business Auction day to notify auction with intent to arbitrate vehicle.

"BLUE SCREEN" - "STRUCTURAL GUARANTEE" Any vehicle that sells for more than \$2500 and is not announced or marked "AS IS" has a guarantee on Structural. However, repairs have to be more than \$500 to arbitrate. Buyer has until end of 2nd business day following the sale to notify auction with intent to arbitrate vehicle. However vehicle cannot be turned down if vehicle has visible exterior damage.

"GREEN SCREEN" - "RIDE AND DRIVE" The selling dealership may elect to offer a vehicle for sale guaranteeing it to be mechanically sound limited to the Engine, Transmission, Drive Train Only. Vehicles must be test driven prior to the close of business Auction day, at which time any dispute must be made immediately to TLSAA.

"ANNOUNCEMENTS" – reconditioned titles, rebuilt salvage titles, flood damaged vehicles, theft recovery vehicles (Any dispute regarding theft recovery vehicles must be done by the close of the 2nd business day following Auction day), government vehicles/titles, gray market vehicles, if odometer is only in kilometers, lemon buy back, reassigned VIN's, and diesel conversion, vehicles will be announced and sold "AS IS" unless specified otherwise by the selling dealership. Known Structural damage will be announced, although, vehicles selling for less than \$2500 or that are exempt from an odometer statement will sell "AS IS" with no announcement necessary. STRUCTURAL DAMAGE (FRAME/UNIBODY) vehicles with prior Auction announcements on AutoCheck can be arbitrated even if announcement shows up within 2 weeks of sale. NAAA STRUCTURAL GUIDE LINES SEE ATTACHED. "SLOW TITLE," if announced gives the seller 90 days to furnish negotiable title. AIR BAG LIGHT ON or SRS LIGHT ON" announcement is to be considered that the air bag may be missing and/or deployed and cannot be arbitrated. Buyer has until close of business Auction day to notify auction and before leaving auction premises with intent to arbitrate vehicle. If air bag light is on due to faulty sensor or display with airbag fault warning, vehicle cannot be arbitrated unless repairs are over \$500.

MILEAGE

TLSAA is not responsible for odometer readings. An announcement will be made on behalf of the selling dealership for each vehicle selling as follows:

ACTUAL – Vehicle, as of January 1, is nine (9) years or newer and odometer is in working condition and mileage is actual

EXEMPT – Vehicles, as of January 1, ten (10) YEARS old or older are exempt from an odometer statement without any guarantee of specific mileage except that of working order

NOT ACTUAL - with an odometer that is not or has not continually been in operation will be announced "Not Actual" with no guarantee of mileage, actual or otherwise or vehicles with digital odometers where the mileage is not displayed will be announced as odometer inoperable - Not Actual.

BUYER has until close of business Auction day to arbitrate for unannounced inoperable odometer. Buyer may not arbitrate a vehicle for mileage discrepancy based on AutoCheck Vehicle Report or CarFax discrepancy, if it is based on a clerical error and is not substantiated by title discrepancy.

WILL CALL

TLSAA, reserves the right to sell any vehicle within \$100 of the minimum. Seller has until 12PM next business after Auction day, to accept offer or vehicle will be considered a no sale. Buyer is responsible to contact auction to see if bid was accepted. Buyer cannot refuse a car sold on call or turn down car due to not being notified by auction. Arbitration period for vehicles sold on a call extended to 12PM next business after Auction day.

BUYER'S PAYMENT

Terms of sale are cash, cashier's check, company check, or bank draft (all US funds only). Company checks and Bank drafts are acceptable only when buyer has been pre-approved by TLSAA and banking information has been verified. Full payment for the vehicle purchased along with the buyer's premium must be received within one hour following the conclusion of the sale. Failure to do so may result in an additional

fee of \$50.00 per transaction per day. Buyers failing to remit full payment and/or all fees associated with the purchase of any vehicle will be suspended from future purchases until that account has been cleared by TLSAA. Any buyer wishing to change form of payment or transfer to another buyer will be liable for an additional \$25.00 charge.

CHECK / DRAFT LIABILITY

Any person giving a "hot" or "insufficient Funds" check or issuing an order to "Stop Payment" of a check WILL BE PROSECUTED to the full extent of the law. Transfer of title of any vehicle will not be completed until the check payment has cleared the financial institution. A payment reprocessing fee of \$200.00 will be charged to the buyer for each "insufficient funds", "stop payment" or "returned draft". Buyer will be suspended from future purchases until that account has been cleared with TLSAA. "Call for Cash" is not an acceptable method of payment. Drafts are expected to be paid within the time limit of 3 Day Sight under banking regulations. Any person that attains a vehicle with an unpaid draft is subject to criminal prosecution within the laws of the State of Texas.

RISK OF LOSS

Title passes at the time of the auctioneers hammer or otherwise declaring the completion of the sale and the identification of the buyer of the vehicle. At this time all risk and responsibility for the vehicle pass from selling dealership to buyer.

Also TLSAA will not be to the liable to the seller or buyer for any damage or loss caused by fire, theft, collision, vandalism, and all acts of nature to any vehicle once sold.

REMOVAL OF VEHICLES

DO NOT REMOVE KEYS TO ANY VEHICLE LEFT ON AUCTION PREMISES!! Removing keys will subject dealer to a \$25.00 Penalty plus locksmith charges and/or wrecker services. All vehicles must have a gate pass to exit auction premises. Any vehicle not picked up within 3 business days will be subject to a \$25.00 per day administrative fee. This includes buyer parking lot across the creek. Any vehicle left after 6pm sale day in Mosque's (Carrollton's location) parking lot is subject to be towed at owner's expense.

BIDDING DISPUTES

The highest bidder will be the buyer unless a dispute arises between two or more bidders, upon which the auctioneer, at his own discretion, may open the bidding again between the parties in dispute only. If this occurs it is the responsibility of the disputing party to advance the bid with the auctioneer presiding. If there is no advance in the bidding the vehicle will be sold to the bidder whom the auctioneer recognized with the last bid. The selling dealership reserves the right to decline the last bid and pass the vehicle from the auction as a "no sale". TLSAA or its auctioneers may decline any bid made by parties who have DEFAULTED in former purchases, or by persons who are deemed not responsible bidders.

IDENTIFICATION BADGES

All buyers must sign in and receive a bidder number. Further each buyer must display bidder badge to the auctioneer and/or block clerk when a vehicle is purchased either as an outright sale or a will call.

AUTHORIZED AGENTS

A dealer authorizing additional buyers to purchase vehicles utilizing that individuals or company's dealer license must do so in writing to TLSAA. Each person participating as a buyer must have his own individual bidder number. Unauthorized use of a bidder number may result in suspension of all auction privileges. The dealer of record shall responsible for any and all actions and purchases of an authorized buyer. A dealer must provide TLSAA with written notification to remove an authorized bidder. Any dealer giving his bidder badge to someone else is in violation and is subjected to be banned!!

CAUTION

All attending the sale do so at their own risk. Buyers/drivers and guest are cautioned to be careful while on the premises and particularly while the vehicles are being moved from their assigned parking area to the auction area. Neither TLSAA nor any other person connected with this sale assumes any liability, legal or otherwise, for the safety of the building or premises or for the perils involved with the operation of any vehicle.

BIDDING PROCEDURE

Minimum acceptable advance in bidding is \$25.00 to \$1000.00 and \$50.00 minimum advance thereafter.

RIGHT OF RETURN

No vehicle may be returned to a selling dealership for any reason unless TLSAA is contacted and approves the return of the vehicle in question. The buyers subject to all cost and fees associated with the return of a vehicle to the selling dealership.

RESALE

Any buyer failing to comply with the above stated conditions causing a vehicle to become the subject of resale shall be obligated to pay any and all costs associated with the resale of such vehicle, and an additional \$150 arbitration fee, in the event of a resale, the buyer will be obligated to any negative balance or loss that may occur, including arbitration fee.

TLSAA, reserves the right, to amend and/or update this information and policy as deemed necessary, TLSSA, reserves the right to refuse service to anyone. Anyone caught on auction premises, after banning, will be considered trespassing. TLSAA, RESERVES THE RIGHT, TO VOID ANY TRANSACTION. Sellers reserve the right to bid on their own vehicles, at any time.

TLSAA, and all auctioneers are licensed and covered by a recovery fund administered and regulated by the Texas Department of Licensing & Regulation. Any comments or complaints may be directed to the Texas Department of Licensing & Regulation (512) 463-2906, PO Box 12157 Austin, TX 78711. J Dunning TX LIC #11490

GUEST POLICY

FOR SAFETY REASONS, NO CHILDREN UNDER 16 YEARS OF AGE ALLOWED ON AUCTION PREMISES. Only one badge will be issued per dealer or registered agent. A guest may be: a family member, an employee of the dealership or assistant to the dealer. A guest may not be here as a potential retail customer. Each dealer or authorized representative is personally responsible for any guest registered. There will be a \$10.00 charge for each guest. No guest is authorized to bid on any vehicle or conduct any business on the auction property. Guest is to refrain from being in the bidding area between the lanes or immediately in front of the auction stand.

By Signing I agree I have read and accepted the terms and conditions outlined on the two pages above

Owner/Officer Sign Here	Dealership	Dealer License #	Date
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**THE FOLLOWING MODIFICATION CLARIFIES THE CURRENT
TERMS & CONDITIONS.**

Titles

Sellers are required to provide negotiable title certificates and related documents to the auction within 30 days following the sale, regardless of the method of payment. Seller agrees to pay a fee of \$50 per month for titles not provided within 30 days of the date of sale, excluding vehicles announced slow title. Slow title seller has 90 days to furnish title (failure to provide title applies after 90 days)

Failure to Provide Title

If the seller fails to provide a negotiable title certificate and related documents within 30 days from the date of sale, the buyer will be entitled to return the vehicle. Vehicle must be in same or better condition as when it was purchased. Mileage can not exceed 500 miles from time of purchase. Buyer is required to notify TLSAA in written format, via fax or email one business day prior to returning the vehicle. Seller has till 5:00PM of the following day to provide title. If title comes in before that time then vehicle cannot be returned. If title comes in before vehicle is returned then it can not be turned down for late title. If a vehicle is returned under this section, the buyer will be entitled to a refund of any purchase price paid, buyer's premium paid, and reasonable transportation costs (to and from buyer's location) resulting from the return of the vehicle. This shall be buyer's sole remedy for failure of the seller to timely deliver a title certificate. **BUYER AGREES THAT NEITHER SELLING DEALER OR TLSAA WILL BE RESPONSIBLE FOR ANY REPAIRS, IMPROVEMENTS, MAINTENANCE, STORAGE FEES, LOSS OF PROFITS OR INCOME, OR ATTORNEY FEES INCURRED BY BUYER PRIOR TO DELIVERY OF THE TITLE CERTIFICATE TO A VEHICLE PURCHASED AT TLSAA BOTH BUYER AND SELLER AGREE TO HOLD TLSAA HARMLESS FROM ANY LIABILITY, CLAIMS, SUITS, CAUSES OF ACTION OR DAMAGES CLAIMED AS A RESULT OF THE FAILURE OF A SELLER TO TIMELY DELIVER A TITLE CERTIFICATE, AND TO INDEMNIFY TLSAA FROM ANY LIABILITY, INCLUDING THE COSTS OF DEFENSE AND ATTORNEYS FEES, IF ANY SUCH CLAIM IS PURSUED.**

Please acknowledge you have read and understand above modification by signing below.

Signature of Owner

Name of Dealership

Date

Effective 01/05/12

THIS POLICY IS A RECOMMENDATION FOR U.S. AUTO AUCTIONS ONLY.

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 Rail 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 member - 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. Roof Support Pillars - "A", "B" or "C" 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		

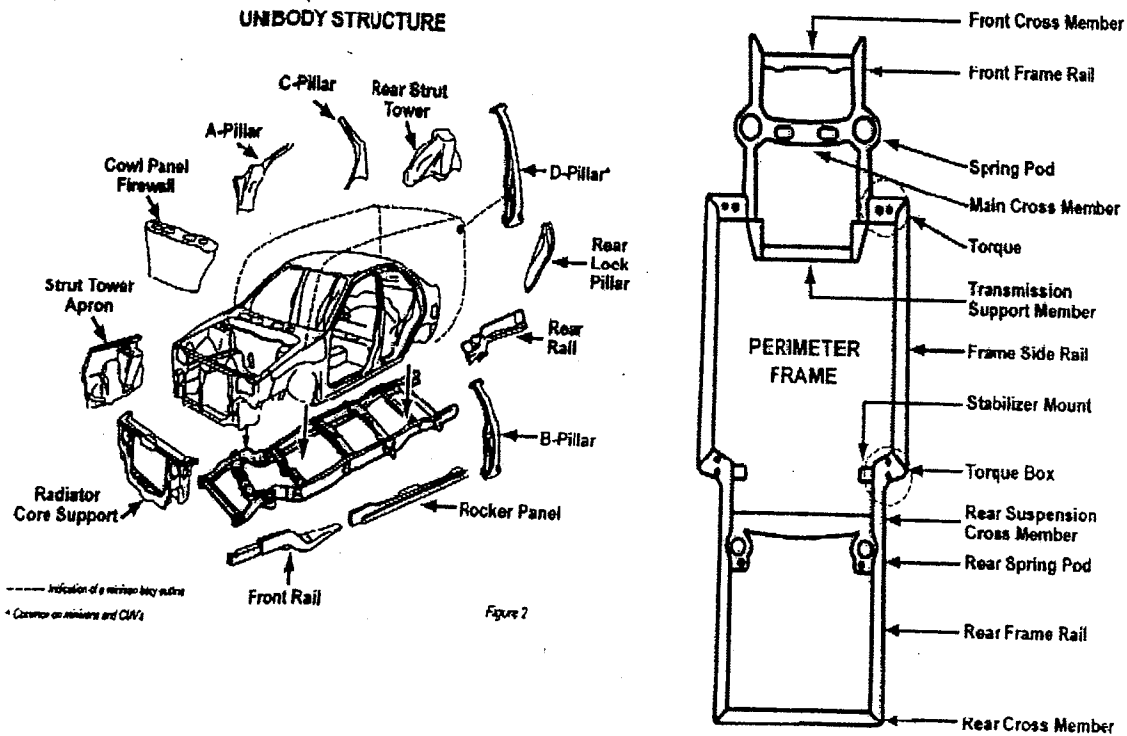


Figure 2