



Houston Auto Auction

fleet remarketers since 1964

6730 Gulf Freeway Houston, TX 77087
Phone 713-644-5566 Fax 713-644-0889
www.HoustonAutoAuction.com

Used Vehicle Dealers,

Please read the following information and fill out the enclosed dealer application and Tax Resale Certificate which is to be returned to our office as soon as possible. We will need copies of the following along with your application:

- **Current Used Vehicle Dealers License**
- **Dealer Bond**
- **Tax Exempt Form**
- **Drivers License copies for both Owner and Agents**

We will not be able to process your application until all of the requirements have been met. Authorization of any agent to represent your company will remain in effect until we are notified in writing of any changes. You are responsible for both the buying and selling privileges of your named agents through the Houston Auto Auction.

Buying Rules

Your choice of payments are as follows:

- **Drafting** - Please complete the *Banking Information* section. We charge a draft fee according to the location of your bank and/or the bid price of the vehicle (see chart on following page). Drafting is a privilege that Houston Auto Auction grants after verifying your references. Drafting privileges may be revoked by Houston Auto Auction if drafts are not paid promptly or are returned for any reason. An additional fee of \$50.00 will be charged for unauthorized return of a draft.
- **Company Check** - A guaranteed letter of credit must be furnished by your bank. A sample letter is included in this packet.
- **Cash** - Unless approved for drafting or check payment, a cash deposit must be submitted with every bid won. This deposit must be paid in the auction lane immediately upon the announcement of the high bid.

BID PRICE	DEPOSIT REQUIRED
\$ 0 - \$ 2,000	\$ 200
\$ 2,001 - \$ 4,000	\$ 300
\$ 4,001 - \$ 5,000	\$ 400
\$ 5,001 - \$ 7,000	\$ 500
\$ 7,001 - \$ 10,000	\$ 700
\$ 10,001 - \$ 12,000	\$ 1,000
For Each Additional \$ 1,000	Add \$ 100 to \$ 1,000

Dealer Registration Information

Please Print or Type

Dealership Name: _____

Owner(s) or Chief Operating Officers: _____

Physical Address of Dealership: _____

Mailing Address (if different from physical): _____

Telephone Numbers (including area code): _____

Fax Number: _____

General Distinguishing Number (or P #): _____

Other auctions from which you have purchased: _____

Office Use Only

Cash:

Check:

Draft:

CWT:

Limit:

Approved By:

Fill in the following information only if you wish to apply to Houston Auto Auction for drafting or check writing privileges. Please refer to the drafting and/or check writing section for the necessary documentation needed for approval.

Method of Payment: _____

Bank Name: _____

Bank Address: _____

Account #: _____

Bank Officer: _____

ALL DEALERS MUST SIGN BELOW.

I have read the attached bidder information sheets as well as all information on registration forms and agree to abide by the terms set out therein. I also grant Houston Auto Auction permission to request information from my bank and/or other auctions listed above.

Signature

Printed Name

Date

Dear Client,

The Texas Motor Vehicle Board has revised its rules governing sales and purchases of vehicles by agents of licensed car dealers. As a result, if anyone other than the owner or dealer principal is to buy or sell vehicles, written authorization on the company's letterhead, signed by the owner or dealer principal must be on file with us stating that the dealer is liable for any acts or omissions including financial considerations of the named agent, representative, or employee. This authorization should include the employee's, agent's, or representative's name, address, phone number, and the business's name, address, and dealer's license number. Please furnish this document to allow your agents / employees to continue to conduct business for your firm.

In addition, vehicle titles must be reassigned to the dealership's name and can only be released to the dealer, the dealer's employee, or dealer's principal institution; never to the agent.

Only checks or drafts on the dealers account, cashier's checks in the name of the dealer or wire transfers from the dealer's bank can be accepted for a dealer's wholesale purchase. Dealer understands that cash cannot be accepted from agents / employees for purchased vehicles. If cash is the only approved method of payment for the dealership, it can be accepted only from the dealer principal.

Houston Auto Auction is sorry for any inconvenience this may cause you and we will try to make this Board's ruling as painless as we can. A suggested format for this authorization letter is attached. We will be happy to print it on your company letterhead for your signature if that would be more convenient for you.

Thank You,
Tim Bowers
President

(Letterhead)

***Cash may only be accepted from the owner or dealer principal (if not named by the state as such, must provide D.B.A. papers or charter as proof).**

***Agents may buy and sell vehicles, and pay for vehicles with a company check. Agents may NOT pick up titles.**

***An employee that is also an agent may buy and sell vehicles, pick up titles, and pay for vehicles with company checks.**

_____ (herein referred to as "Dealer") authorizes the following (agent / Employee) to buy / sell vehicles on behalf of Dealer. Dealer shall be liable for any acts or omissions regarding duties and obligations including any financial considerations caused by agent / employee unless and until either written revocation of the agent / employee's authority is received or revocation of dealer's license. Dealer understands the purchased vehicle titles can be released only to the dealer, dealer's employee, or dealer's financial institution. Dealer understands that cash cannot be accepted from agents / employees for purchased vehicles. If cash is the only approved method of payment for the dealership, it can be accepted only from the dealer principal.

Agent

Name _____
Address _____
Phone #: _____

Employee

Name _____
Address _____
Phone # _____
Is employee also an agent? _____

Agent

Name _____
Address _____
Phone #: _____

Employee

Name _____
Address _____
Phone # _____
Is employee also an agent? _____

Agent

Name _____
Address _____
Phone #: _____

Employee

Name _____
Address _____
Phone # _____
Is employee also an agent? _____

Signed _____
Title _____
Dealership Name _____
Address _____

Phone _____
Dealer license number _____
Date _____

Please complete the first three lines and sign on the purchaser line in order to be exempt from sales tax. State law requires this form be kept on file for all vehicles you purchase at our auction for resale.

RESALE TEXAS MOTOR VEHICLE SALES TAX EXEMPTION CERTIFICATE

Name of purchaser, firm or agency:

Address:

City, State, and ZIP code:

Dealer number (if applicable):

Daytime phone
(Area code and number):

I, the purchaser named above, claim the right to make a non-taxable purchase for resale of the motor vehicle described below:

Vehicle identification number

Make of vehicle:

Year model:

Seller:

HOUSTON AUTO AUCTION, INC

Street address:

6730 GULF FREEWAY

City, state and ZIP code:

HOUSTON, TEXAS 77087

Purchaser claims this vehicle is being purchased for resale purposes ONLY.

I understand that I will be liable for payment of motor vehicle sales or use taxes which may become due if I fail to comply with the provisions of the Tax Code: Chapter 152. Taxes on Sale, Rental, and Use of Motor Vehicles.

I understand that it is a criminal offense to give a Texas Motor Vehicle Sales Tax Resale Certificate to the seller for a motor vehicle that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate and that the offense is a felony punishable by imprisonment for not less than two nor more than five years or a fine of not more than \$1,000, or both.

Signature of Purchaser:

Title (if with firm or agency):

Date:

_____ / _____ / _____

This certificate should be furnished to the seller. Do not send the completed certificate to the Comptroller of Public Accounts.

**** Please note this must be a separate letter written on bank letterhead DO NOT FILL IN THIS FORM. Houston Auto Auction will call the Bank Officer to verify information.****

Sample Bank Reference Letter for Drafting

(Bank Letterhead)

_____ owns _____ .
(Name) (Company Name)

They have been doing business with _____
(Bank Name)

since _____ . They maintain a _____ balance. They _____
(Year) (3, 4, 5, 6 figures) (do / do not)

use envelope drafts and _____ pay or pick-up their drafts promptly.
(do / do not)

They have a credit line of _____ .
(3, 4, 5, 6 figures)

Bank Officer's Name: _____

Bank Officer's Phone Number: _____

Your letter of reference must have somewhat the same wording before we can determine if you will be granted drafting privileges.

**** Drafting is a privilege we grant to our customers after we have verified and analyzed their banking information and their history with other auctions.

**** Please note this must be a separate letter written on bank letterhead DO NOT FILL IN THIS FORM. Houston Auto Auction will call the Bank Officer to verify information.****

Sample Letter of Credit

(Bank Letterhead)

_____ guarantees to honor and pay to Houston Auto Auction, checks and/or drafts up
(Name of Bank)

to the amount of _____ drawn on the account of _____
(Amount) (Name of Customer)

for items to be purchased on _____ .
(Sale Date)

Signature of Bank Officer: _____

Bank Officer's Position: _____

Bank Officer's Phone Number: _____

**** Please note this must be a separate letter written on bank letterhead DO NOT FILL IN THIS FORM. Houston Auto Auction will call the Bank Officer to verify information.****

Buyer, Draft, & Seller Fees for Dealers as of May 28, 2010

Bid Price	Wednesday Buyer Fees	*Regular Draft Fees for Approved Dealers Only	Seller Fees for Dealers
\$ 0 - \$ 499	\$ 100	\$ 55	\$ 80
\$ 500 - \$ 999	\$ 125	\$ 55	\$ 90
\$ 1,000 - \$ 1,499	\$ 135	\$ 65	\$ 120
\$ 1,500 - \$ 1,999	\$ 145	\$ 65	\$ 135
\$ 2,000 - \$ 2,999	\$ 160	\$ 95	\$ 150
\$ 3,000 - \$ 3,999	\$ 180	\$ 95	\$ 170
\$ 4,000 - \$ 4,999	\$ 190	\$ 110	\$ 200
\$ 5,000 - \$ 5,999	\$ 200	\$ 110	\$ 215
\$ 6,000 - \$ 6,999	\$ 210	\$ 110	\$ 225
\$ 7,000 - \$ 7,999	\$ 220	\$ 135	\$ 235
\$ 8,001 - \$ 8,999	\$ 230	\$ 135	\$ 250
\$ 9,000 - \$ 9,999	\$ 240	\$ 135	\$ 275
\$ 10,000 - \$ 10,999	\$ 240	\$ 135	\$ 300
\$ 11,000 - \$ 12,999	\$ 250	\$ 135	\$ 320
\$ 13,000 - \$ 14,999	\$ 260	\$ 135	\$ 340
\$ 15,000 - \$ 16,999	\$ 270	\$ 135	\$ 360
\$ 17,000	Add \$10 for each additional \$1000	\$ 155	\$ 300 + \$ 10 per \$ 1,000 over\$17K

Big Truck and Equipment Sale Buyer Fees (Only Only)
6% of Sale Price, Minimum \$249.50

Equipment Sale Fee For Dealers is Regular Sale Fee plus \$100

Other Fees

Additional License Receipt: \$5.00

Storage over 7 days: \$11 per day

* If your bank is located in Houston, and you sign your drafts within one day of the sale, your draft fee is only \$15. If your bank is located outside of the Houston Metropolitan Area but in the state of Texas, and you sign your drafts within one day of the sale, your draft fee is only \$25. If your bank is located out of state, you are charged the regular draft fees.

All PHH vehicles carry a \$35 flat buyer fee in addition to the above.

Damaged & Disabled Video Sale Buyer Fees	
\$ 0 - \$ 99	\$ 35
\$ 100 - \$ 299	\$ 45
\$ 300 - \$ 499	\$ 55
\$ 500 - \$ 599	\$ 70
\$ 600 - \$ 999	\$ 135
\$ 1,000 - \$ 1,999	\$ 145
\$ 2,000 - \$ 2,999	\$ 170
\$ 3,000 - 3,999	\$ 190
\$ 4,000 -4,999	\$ 200
\$ 5,000 - 5,999	\$ 210

PAYMENT: Bidder agrees to pay the balance due before 5:00 p.m. of the next business day following the auction by **CASH** or **CASHIER'S CHECK** . Cashier's checks must be drawn on a local bank, made payable to Houston Auto Auction, free of any limiting endorsements and will be verified prior to acceptance.

FORFEITURE OF DEPOSIT: Bidder's deposit will be forfeited if full payment is not received by the deadline.

REGULAR SALES: All vehicles are sold **AS IS, WHERE IS - NO WARRANTY - NO GUARANTEE AND CANNOT BE RETURNED FOR ANY REASON**. Vehicle defects are announced **IF** known by the auction.

ARBITRATION POLICY: *IF A SERIOUS, UNANNOUNCED DEFECT IS DETECTED IN THE MOTOR, TRANSMISSION, OR REAR END, THE VEHICLE MUST BE RETURNED IMMEDIATELY FOR MECHANICAL INSPECTION. IF THE DEFECT IN QUESTION IS NOT OBVIOUS, THE VEHICLE WILL BE GIVEN A COMPREHENSIVE DIAGNOSTIC EVALUATION WHICH MAY TAKE MORE THAN 24 HOURS.*

PLEASE NOTE: If **NO serious unannounced/claimed major defect is found**, the buyer will be subject to a **\$75 fee**. We will **not arbitrate for dash lights**. It is the bidder's responsibility to check inside the vehicle.

1. QUALIFYING CONDITIONS.

- a. FLEET, BANK, CREDIT UNION, and FINANCE CO. VEHICLES** -model year 2003 or newer, less than 100,000 miles on the odometer and bid price over \$2500
- b. DEALER, INDIVIDUAL and AUCTION OWNED VEHICLES** - bid price over \$1000, no year or mileage qualifiers.
- c. DONATION, CHARITY, STATE, CITY, COUNTY and OTHER MUNICIPALITY VEHICLES** - not subject to arbitration under any circumstance. (see * frame damage / flood damage and **odometer problems sections below)

2. PAID IN FULL. A test drive is only allowed after payment in full is received. (*** see below)

3. LIMITED TO 10 MILES. The vehicle must not be driven more than 10 miles over the odometer reading on the sales slip.

4. TIME LIMIT - ALL PHH VEHICLES MUST BE RETURNED BEFORE 1:00 PM the first business day following the auction (closed Sundays). **ALL NON-PHH VEHICLES MUST BE RETURNED BEFORE 5:00 P.M.** the first business day following the auction (closed Sundays). Bidders should plan to pay in full well before the 1:00 p.m. & 5:00 p.m. deadlines in order to have sufficient time to test drive the vehicle.

5. REFUND. If the existence of the serious unannounced defect **is verified and would cost over \$400 to repair**, Houston Auto Auction will refund all monies received for that vehicle.

*** FRAME DAMAGE / FLOOD DAMAGE:** Must be returned for arbitration within 48 hours of sale.

**** ODOMETER PROBLEMS:** All vehicles more than (9) years old are EXEMPT from odometer discrepancy laws and, therefore, **are not eligible for arbitration for any odometer problems**. All broken odometers must be reported within 48 hours of notification that the vehicle has sold. This is very specific and separate from odometer fraud. Odometer fraud is a federal crime. It should be reported to the auction as soon as the purchaser knows or should have known of such fraud.

***** TEST DRIVE ALLOWANCE:** Some vehicles may be **announced** with a test drive.

TAX, TITLE, LICENSE & OTHER FEES: Houston Auto Auction is required by law to collect Texas Motor Vehicle Sales Tax in the amount of 6.25% of the combined total sales price and buyer's fee. A \$33 transfer fee, a \$75 documentary fee, a motor vehicle inventory tax ratio factor of .002103 of the sales price, plus any licensing fees must be collected before the vehicle will be released.

**** Please Note - Vehicles with out of state titles or titles from non-emission Texas counties must be inspected prior to processing the application of title into your name. Houston Auto Auction must have the car inspected and a \$75 fee will be charged for this service. The inspection process may take up to noon the following business day.**

TITLES: Houston Auto Auction will file Application for Transfer of Title within (20) business days of the purchase date.

OFFICE HOURS: Mon, Tues, Thurs 9:00 a.m. to 5:00 p.m., Wed 9:00 a.m. to 6:00 p.m., Fri 9:00 a.m. to 1:00 p.m.
Wednesday Auction: D-Lane - 11:00 a.m., Dealer Only – 1:00 p.m., Dealer & Public – 3:00 p.m.

Telephone: (713) 644 - 5566 Fax: (713) 644 - 0889