

# HOUSTON AUTO AUCTION, INC.®

Fleet Remarketers for the 21<sup>st</sup> Century

“The Public Auto Auction”

6730 Gulf Freeway  
Houston, Texas 77087  
Telephone 713-644-5566  
Fax 713-644-0889

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:

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Address:

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City, State, and ZIP code:

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Dealer number (if applicable):

Daytime phone (Area code and number):

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**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:

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Seller:

**HOUSTON AUTO AUCTION, INC**

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Street address:

**6730 GULF FREEWAY**

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City, state and ZIP code:

**HOUSTON, TEXAS 77087**

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**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:

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Title (if with firm or agency):

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Date:

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_

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

**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.

**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**

<b>Bid Price</b>	<b>Wednesday Buyer Fees</b>	<b>*Regular Draft Fees for Approved Dealers Only</b>	<b>Seller Fees for Dealers</b>
\$ 0 - \$ 500	\$ 85	\$ 55	\$ 70
\$ 501 - \$ 1,000	\$ 85	\$ 55	\$ 85
\$ 1,001 - \$ 1,500	\$ 110	\$ 65	\$ 100
\$ 1,501 - \$ 2,000	\$ 110	\$ 65	\$ 115
\$ 2,001 - \$ 3,000	\$ 125	\$ 95	\$ 130
\$ 3,001 - \$ 4,000	\$ 135	\$ 95	\$ 145
\$ 4,001 - \$ 5,000	\$ 150	\$ 110	\$ 165
\$ 5,001 - \$ 6,000	\$ 155	\$ 110	\$ 175
\$ 6,001 - \$ 7,000	\$ 160	\$ 110	\$ 185
\$ 7,001 - \$ 8,000	\$ 165	\$ 135	\$ 195
\$ 8,001 - \$ 9,000	\$ 170	\$ 135	\$ 205
\$ 9,001 - \$ 10,000	\$ 175	\$ 135	\$ 215
\$ 10,001 - \$ 11,000	\$ 180	\$ 135	\$ 225
\$ 11,001 - \$ 12,000	\$ 185	\$ 135	\$ 235
\$ 12,001 - \$ 13,000	\$ 190	\$ 135	\$ 245
\$ 13,001 - \$ 14,000	\$ 195	\$ 135	\$ 255
\$ 14,001 - \$ 15,000	\$ 200	\$ 135	\$ 265
\$ 15,001 +	\$ 210	\$ 155	\$ 275 + \$ 10 per \$ 1,000 over

<b>Big Truck and Equipment Sale Buyer Fees</b>	
<b>Lease Company &amp; Repossessed Units</b>	<b>All Other Units</b>
\$85 or 6% of Bid Price (whichever is greater)	Same as Regular Buyer Fees

<b>Saturday Sale Buyer Fees</b>
10 % of Bid Price with \$85 Minimum, \$500 Maximum

<b>Salvage Sale Buyer Fees</b>	
\$ 0 - \$ 100	\$ 25
\$ 101 - \$ 300	\$ 35
\$ 301 - \$ 500	\$ 45
\$ 501 - \$ 600	\$ 60
\$ 601 - \$ 1,000	\$ 85
\$ 1,001 - \$ 2,000	\$ 110
\$ 2,001 - \$ 3,000	\$ 125
\$ 3,001 - \$ 4,000	\$ 135
\$ 4,001 - \$ 5,000	\$ 150
\$ 5,001 - \$ 6,000	\$ 155
\$ 6,001 - \$ 7,000	\$ 160
\$ 7,001 +	\$ 165

**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.

**PAYMENT:** Dealer agrees to pay the balance due before 5:00 p.m. of the next business day following the auction (closed Sunday) 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:** Dealer'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.

**CONDITIONAL SALES:** EXCEPTIONS: Vehicles owned by the auction, individuals or car dealers are subject to "A DRIVE". "A DRIVE" will be permitted under the following conditions:

1. **OVER \$1,000.** Bid price must be over \$1,000.
2. **PAID IN FULL.** A test drive is only allowed after payment in full is received.
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 5:00 P.M.** The vehicle must be returned before 5:00 p.m. the first business day following the auction (closed Sundays). Bidder should plan to pay in full well before the 5:00 p.m. in order to have sufficient time to test drive the vehicle before this deadline.
5. **SERIOUS UNANNOUNCED DEFECTS.** If a serious unannounced defect is detected in the motor, transmission, or rear end (universal), the vehicle must be returned immediately for mechanical inspection. If the defect in question is not obvious, the vehicle will be sent to Houston Car Clinic for an objective evaluation which may take more than 24 hours.
6. **REFUND.** If the existence of the serious unannounced defect **is verified and would cost over \$300 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.

**OFFICE HOURS:** Monday through Friday 8:30 a.m. to 5:00 p.m.  
Saturday 8:30 a.m. to 3:00 p.m.  
Auctions start at 9:30 a.m. on Wednesday, and 10:00 a.m. on Saturday.

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