

**3D AUTOMOTIVE MANAGEMENT CORPORATION**  
**DBA: KELLEY/HADA AUTO AUCTION**  
**DEALER REGISTRATION AGREEMENT**

This Dealer Registration Agreement (“Agreement”), dated as of \_\_\_\_\_, is made and entered into by and between \_\_\_\_\_ (“Dealer”) and 3D Automotive Management Corporation and its subsidiaries and affiliated auctions (collectively, the “Auction”). In consideration of the following recitals, representations, guarantees, covenants, and agreements contained herein, Dealer and Auction agree as follows:

1. Dealer represents and warrants that it is a licensed vehicle dealer engaged in the business of buying and selling vehicles. Prior to engaging in any business at the Auction, Dealer shall provide Auction a completed Dealer Information Sheet. Dealer represents and warrants that all information provided on the Dealer Information Sheet is true and correct.
2. Dealer acknowledges and agrees that Auction is not the seller of any vehicle at auction, nor is it the transferor required to give the Federal odometer disclosure statement in connection with the sale of any vehicle at the Auction as contemplated by the Motor Vehicle Information and Cost Savings Act of 1972 (Pub.L. 92-513), as amended, or similar laws. The seller named on the bill of sale shall be the transferor within the contemplation of such laws.
3. All sales at the Auction are conducted under published individual auction Rules/Policies and Procedures. Dealer acknowledges that it is responsible for obtaining a copy of the applicable auction Rules/Policies and Procedures and Dealer agrees to be bound by such Rules/Policies and Procedures, as amended from time to time.
4. The person(s) indicated on the Agent Authorization Sheet as “Authorized Agent” are duly authorized by Dealer to buy and sell automobiles, to execute checks or drafts, and to execute bills of sale, odometer disclosure statements, assignments of title, and warranties of title on behalf of Dealer. The authority of such persons to act on behalf of Dealer shall continue in full force and effect until terminated by Dealer in writing to the Auction. Dealer does hereby guarantee all transactions made by such persons, and does indemnify and hold harmless the Auction from all claims, losses, damages, and expenses caused it as a result of any such transaction including but not limited to losses from dishonored checks or drafts, defective titles, and false or inaccurate odometer disclosure statements as well as any expense incurred in attempting to collect such losses, including attorneys’ fees.
5. Dealer authorizes the Auction to act as Dealer’s attorney-in-fact to purchase, sell and transport vehicles, and on Dealer’s behalf to execute any documents necessary to transfer ownership thereof and any disclosure statements relating thereto. Dealer agrees to indemnify the Auction, hold the Auction harmless, and defend the Auction against all claims, loss, damage, expense, and attorneys’ fees that the Auction may sustain by reason of so acting for Dealer, unless such claim arises directly from the Auction’s willful misconduct.
6. Dealer assumes all risk of loss, liability, and damage incident to or arising out of any vehicle left on the Auction’s premises and Dealer shall provide insurance for such loss, liability, and damage. Auction disclaims all liability, in tort, contract, or otherwise, for such loss, liability, and damage.
7. With respect to each and every vehicle delivered by Dealer to an Auction facility for sale, Dealer represents to Auction and to the buyer of that vehicle that:
  - (a) The vehicle is in a safe condition to operate on the public highways and complies with applicable laws, including laws relating to safety, performance and environmental standards;
  - (b) Dealer will fully and accurately disclose the description, condition, known defects and mileage of the vehicle and to be solely responsible for such representations;
  - (c) Dealer is the true and lawful owner of the vehicle;
  - (d) Dealer has the right and power to sell the vehicle;
  - (e) Dealer guarantees, without exception, that title to the vehicle is free and clear of all encumbrances and other defects, and Dealer will hold the buyer and the Auction harmless for any loss, liability, or expense resulting from any defect in such title;
  - (f) Within the time allowed by the Auction Rules/Policies and Procedures, Dealer will deliver to the Auction, as agent, good title to the vehicle, free and clear of all liens or encumbrances, together with all related disclosure statements. Upon such delivery, the Auction agrees to pay Dealer the purchase price of the vehicle, less any fees owed;
  - (g) Dealer agrees to pay to Auction a fee for every vehicle run across the auction block, even if the vehicle is not sold. A fee schedule setting forth all fees charged by the Auction is included with the Auction Rules/Policies and Procedures. Dealer grants Auction a possessory lien against any vehicle for which a fee is due as security for the payment of any unpaid fee;

- (h) Dealer will hold harmless and indemnify Auction and the buyer of the vehicle against any loss resulting from the breach of the Dealer's warranty of title to the vehicle, an inaccuracy included on the Odometer Disclosure Statement or of any warranty or representation contained herein.
8. With respect to each and every vehicle purchased by Dealer, Dealer agrees that;
- (a) The Auction does not inspect vehicles delivered to it for sale; rather, the seller is responsible for all representations of description, condition, mileage and for disclosure statements relating to the vehicle;
  - (b) Dealer will examine any vehicle purchased and accept the vehicle in its present condition;
  - (c) Dealer will pay Auction the purchase price of the vehicle by check or cash (drafts may be accepted if approved in advance by the Auction). Once such payment has been honored and paid in full, Auction shall tender good title thereto. Upon failure to so pay, Auction may without further notice to Dealer dispose of such vehicle through a subsequent auction sale, and Dealer shall be liable to Auction for all costs of collection, loss on resale of the vehicle, and any other damages Auction may sustain including attorney's fees incurred in collecting payments due;
  - (d) The title and ownership of the vehicle shall remain with the seller of the vehicle until any check or draft given as payment for the vehicle has been honored and paid in full.
9. Dealer agrees to honor payment of any check or draft immediately when presented to Dealer's bank for payment. Dealer will not under any circumstances, stop payment of its check or draft without the advance written approval of an authorized representative of the respective Auction; then, if approved, Dealer will return the vehicle at Dealer's expense to the respective Auction's place of business. Dealer further agrees to hold Auction harmless for and indemnify and defend Auction against any claims, losses, damages and expenses as a result of a check or draft of Dealer being dishonored by the bank upon which it is drawn.
10. Dealer hereby authorizes Auction to investigate the credit history of the Dealers and the Dealer's principals, which investigation may include, but is not limited to, contacting the banks and other financial institutions with whom Dealer does business. Dealer agrees to execute any documents required by any such bank or financial institution to release financial information to Auction. If a fee is assessed by banks and/or financial institutions, Dealer further agrees to pay such fees.
11. As security for the punctual payment and performance of Dealer's obligations under this agreement, Dealer hereby grants to Auction a continuing security interest in all inventory acquired by Dealer from Auction, together with all parts, accessories, additions, accessions, replacements and proceeds of such inventory (collectively, the "Collateral"). Dealer also covenants and agrees that Auction may take whatever steps necessary to perfect a valid and enforceable purchase money security interest in the Collateral. This authority shall allow Auction to execute and file a UCC-1 financing statement on Dealer's behalf and to take such steps as are necessary to perfect a valid security interest in the Collateral.
12. Auction, subject to the below terms, conditions, and limitations, guarantees to the buyer that each vehicle bought at one of its auctions is not stolen or mortgaged at the time of such purchase by buyer.
- (a) The guaranty covers only invalidities in title existing at the time of the sale and does not cover technical defects which can be removed by execution and delivery to the buyer, or prior owners, of legally required papers without the necessity of monetary payment.
  - (b) The amount of Auction's liability under its guaranty shall never exceed the sale price of the vehicle, and the maximum amount of Auction's liability shall be reduced by deducting from the sale price 2% thereof on the first day of each month following the date of sale, and all liability of the Auction will expire and terminate on the first day of the forty-eighth month after the date of sale.
  - (c) The guaranty is expressly limited to the Dealer who purchased the vehicle at Auction, and the guaranty is not negotiable or transferable.
  - (d) The guaranty shall be void ab initio if the purchase price for the vehicle is not paid by the buyer.
  - (e) The guaranty does not protect against defects in the title known to the buyer whether or not listed as exceptions to the title on Auction's invoice.
  - (f) Whenever any claim is made by any person against the title of the vehicle, whether by suit or otherwise, the buyer shall within five days after becoming aware of the claim notify the respective Auction in writing, giving full particulars of the claim, and shall cooperate fully in defending any legal action or taking any other steps to minimize possible loss.
  - (g) On payment of any claim under the guaranty, the buyer will execute all necessary papers subrogating its right to recover against the seller, or others, to Auction.
  - (h) The buyer shall not surrender possession of the vehicle to any claimant, except as required by legal process, nor shall buyer voluntarily pay or acknowledge the validity of any such claim without the prior approval of Auction.

- (i) Time is of the essence of this section of this Agreement and any failure on the part of the buyer to notify the respective Auction in writing in a timely manner of any such claim shall relieve Auction of liability under the guaranty.
  - (j) The guaranty does not apply to motorcycles, boats, campers, or trailers.
  - (k) The guaranty does not apply to vehicles sold by bill of sale without title.
12. This Agreement may be terminated by Auction at any time with or without cause. The parties' obligations under this Agreement with respect to transactions completed prior to termination shall survive termination.
  13. This Agreement may be amended only by an instrument in writing signed by both parties.
  14. This Agreement hereto constitutes the entire understanding of the parties and supersedes all prior negotiations, representations, or agreements, either written or oral, with respect to the subject matter hereof.
  15. If any provision hereof or the application of any provisions to any persons or circumstances are held invalid or unenforceable by a court of competent jurisdiction, said provision shall be deemed deleted and the remainder of the Agreement shall remain in full force and effect.
  16. This Agreement shall be construed and interpreted in accordance with the internal laws of the state within which Dealer transacts business with Auction, without giving effect to the choice of laws principles thereof. In the event that any party commences a lawsuit or other proceeding relating to or arising from this Agreement, each of the parties hereby irrevocably and unconditionally consents to submit to the jurisdiction of the state and federal courts sitting in the county within which Dealer transacted business with Auction. Any of these courts shall be proper venue for any such lawsuit or judicial proceeding and the parties waive any objection to such venue. In the event that Dealer transacts business with Auction at more than one location, then Auction shall have the right to select the jurisdiction, choice of state law, and venue. The parties consent to and agree to submit to the jurisdiction of any of the courts specified herein and agree to accept service or process by U.S. mail to vest personal jurisdiction over them in any courts selected, in accordance with this Section 16.

DEALER:

AUCTION:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

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Title

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Title

DEALER:

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Signature

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Printed Name

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Title