

## **Autofand Saar Pfalz General Terms and Conditions**

1. A collateral loan agreement is deemed concluded with the committal of the collateral and the receipt of the pawn ticket, as well as with the disbursement of the loan, subject to the rules of the business operations of the credit institution, of other important regulations, as well as the terms and conditions of the business.
2. In handing over the collateral and receipt of the pawn ticket, the pledger declares the pledged property to be freely his own, and that he has the sole power of disposal. Insofar as the collateral is among the objects listed in the §§1369, 1450 BGB [German Civil Code], the pledger assures the express approval of its spouse in undertaking to pledge as collateral.
3. If the lien has been validly granted, the pledger is exempt from any personal obligation to the pledgee with respect to the collateral loan. If the pledge is not redeemed (Section 4), the pledgee is free to realize the collateral. In the event that the pledgee does not acquire the lien due to the rights of a third party, the pledger must pay the pledgee, in compensation of damages, the loan amount, the interest indicated on the pawn ticket, as well as the reimbursement of costs estimated until the day the pledge is relinquished to the eligible third parties, if the collateral loan agreement is valid. If the pledgee releases the collateral to a third party who furnishes prima facie evidence that, in turn, impedes the pledging as collateral, the lien is deemed not to have occurred. The same is correspondingly true if the pledgee has already amortized the collateral and the third party demands compensation. If this damage is higher than the amount to be paid as per the existing rate, the pledger is liable for this amount.
4. Against the payment of the loan, including the interest and the reimbursement of costs (fees and demurrage), the collateral can be redeemed by surrendering the pawn ticket, as long as it has not already been handed over to the auctioneer for the purposes of recovery. The pledgee is not obligated to inspect the authorization of the owner of the pawn ticket to redeem the pledge, as long as the pledgee is not accused of premeditation or gross negligence.
5. When the loan becomes due, a renewal / extension of the collateral loan agreement is possible only against the payment of interest and reimbursement of costs (fees and demurrage) and with the approval of the pledgee.
6. A loss of the pawn ticket must be duly notified by the pledger to the pledgee and must be shown credibly by indicating the number on the pawn ticket or date of the pledging as collateral, and must offer a close description of the collateral. If the pledger is able to furnish sufficient prima facie evidence for the loss, it shall receive a written confirmation as a proof of the report of loss. The redemption or renewal of the collateral is principally only possible after the due date sets in.
7. Interest and reimbursement of costs (fees) that must be computed on a monthly basis must also be fully levied on the first month. The day of the pledging as collateral shall be only then taken into account, if the pledge is redeemed on the same day. Demurrage shall be calculated on a day-to-day basis. The day of the pledging shall be only then taken into account if the pledge is redeemed on the same day. [*repetition in source*]
8. If the collateral is not redeemed or renewed, it shall be realized through public auctioning. If the auctioning has been made sufficiently advertised, then it is necessary in the subsequent advertisements, in the event more auctions become necessary, to generally indicate which pledged items remain unsold. Pledger and pledgee agree that the threat to auction, a determination of a deadline for that and notification of the time of the auctioning – except for the legally prescribed advertisement – as well as the notification of the auctioning proceeds are inadvisable and should not happen, irrespective of the right of those authorized to redeem to retrieve from the pledgee the surplus secured from the collateral. If many objects have been pledged as collateral through a collateral loan agreement, then the pledgee is entitled to realize all objects pledged as collateral, without consideration of the amount of the proceeds secured from individual objects. If the pledger is an entrepreneur, and has pledged as collateral an object pertaining to his business assets, the pledgee has the right, in the event a pledged object is realized, to settle the sales proceeds by means of a credit note.
9. Whoever is authorized to redeem is also entitled to the surplus, and will be paid against the return of the pawn ticket. Section 6 is correspondingly valid. The surplus is that part of the proceeds from (the sale of) the collateral that remains after deducting the loan amount, the interest, the costs to be reimbursed (fees and demurrage), as well as the prorated costs of the auction, as long as they were not claimed from the buyer. If the surplus is not retrieved from the pledgee within two years after the realization of the collateral, this amount will be transferred to the concerned authority, and lapses. The term begins with the end of the year in which the collateral has been disposed of.
10. If the collateral concerns an object that has an official registration document, then the cost of insurance against loss or destruction in the amount of the value of repurchase, for damages that can be repaired in the amount of the costs of repair, against fire and water pipe damage, against burglary, as well as against robbery, shall be borne by the pledgee. All other collateral objects not mentioned in the previous sentence must be insured at the expense of the pledgee, minimally for an amount double the value of the loan, against fire and water pipe damage, against burglary, as well as commensurably against robbery. The pledgee is liable for the damages or loss only to the extent of the concluded insurance in the insured amount. A further liability, particularly for damages caused by breakage, vermin or all kind, or the like, is impossible, insofar as the pledgee cannot be accused of premeditation or gross negligence. Indemnity claims may be brought to bear at the time of the receipt of the collateral. A liability of the pledgee no longer exists, as soon as the collateral has been removed from the business premises and there have been no complaints concerning damages.
11. The collateral can also be redeemed and renewed by mail. The pledger must get in touch with the pledgee regarding the procedural details. In order to prevent an imminent auction, however, an amount minimally equal to the loan amount in the case of redemption, and in case of renewal, an amount representing the interest and reimbursement of costs (fees and demurrage) incurred until the date of payment, must be received by the pledgee, at the latest, two days prior to the auction. The risk of sending is borne by the principal. Even in the dispatch of the pledged object, the exclusion of liability is valid as per Section 10, para 3. Checks and bills, or other payment instructions shall not be accepted as payment. For enquiries by mail, we request that the return postage be included.
12. Jurisdiction and place of fulfillment is – insofar as there is no other regulation on this – the place of the business headquarters where the collateral loan agreement was concluded.