

**TERMS AND CONDITIONS
ON-SITE AND ONLINE AUCTION OF MACHINERY NOT REQUIRED FOR CONTINUED OPERATIONS
OWNED BY MARTIN FURNITURE**

CLOSING DATE MARCH 06, 2024

The services provided by MYRON BOWLING AUCTIONEERS MEXICO hereinafter "THE AUCTIONEER", are governed by these Terms and Conditions, therefore, by participating in the Auction, the bidder expressly accepts that he/she knows these Terms and Conditions, being unconditionally bound to comply with the same, as well as with any additional provision that may be determined or announced by THE AUCTIONEER prior or during the Auction.

1. CURRENCY AND FORMS OF PAYMENT. The prices and other amounts related to this Auction are in dollars of the United States of America. THE AUCTIONEER accepts only the following forms of payment, which shall be made in favor of MYRON BOWLING AUCTIONEERS MEXICO (i) electronic bank transfers; (ii) debit card charge or charge with VISA, MASTERCARD and AMERICAN EXPRESS credit card (restrictions apply); (iii) payment with certified or cashier's check, and; (iv) payment at the bank window with check and/or cash. The sum of the payments made in a monthly period by the buyer to THE AUCTIONEER by means of bank deposits in cash shall not exceed the equivalent in Dollars of the United States of America of \$ 363,000.00 (Three hundred and sixty three thousand Mexican pesos 00/100 M.N.). In case of making the deposit in pesos, we request that you previously verify with us the quotation of the day due to the fact that the exchange rate varies daily.

2. NOTIFICATIONS. The notifications related to this Auction shall be made by THE AUCTIONEER before or during the course of the Auction, which may be made verbally, in the details of the Auction in the Web page or otherwise via the e-mail provided by the bidders, such notifications shall have all the legal effects that may be applicable.

3. PHYSICAL INSPECTION. Those interested in participating in the Auction must examine or inspect the assets object of the Auction, since the same are auctioned in the conditions in which they are found, for which reason the operation and condition of the same is not assured; for this purpose, an appointment must be made in advance, starting February 1, 2024, at the following address: Av. Ensenada 7641, Parque Industrial Pacifico, Tijuana, Baja California, Mexico and/or 2345 Britannia Blvd, San Diego, CA 92154, United States of America. Failure to visit for physical inspection of the goods shall not be cause or reason for cancellation or rescission of the sale.

When visiting the site for inspection, interested parties and their companions must present valid official identification and follow the Health and Safety and Civil Protection Procedures and Protocols established by the seller.

4. CONDITIONS OF SALE OF THE ASSETS. The goods are sold in the conditions in which they are found, without any guarantee whatsoever, with all their possible defects and hidden defects that may exist, in their place of location "as they are and where they are". Neither the seller nor THE AUCTIONEER offer any guarantee as to the nature, quality, value or condition of the goods, expressly declaring to be unaware of any guarantee of commercialization or operation for any specific purpose, renouncing in this sense the bidder to the reorganization for the case of eviction and hidden defects.

"Auctioned equipment is sold as is and where is without any responsibility of the auctioneer and seller Martin Furniture."

5. REGISTRATION OF BIDDERS. In order to be registered in the Auctions organized by "THE AUCTIONEER", those interested in participating must previously fill in the information requested in the button "REGISTRATION" of the page www.myronbowling.com.mx for which they may use the "REGISTRATION GUIDE" available in the same page and also send the following scanned documentation to the e-mail contacto@myronbowling.com.mx.

THE AUCTIONEER may, without any liability whatsoever, reserve at its sole discretion, the right to register or not any person in the Auctions.

6. GUARANTEES OF SERIOUSNESS.

In order to participate in this Auction, the bidder must submit a bid bond in accordance with the number of goods for which he wishes to participate, in accordance with the following:

- a. **White Guarantee: 500.00 USD (Five Hundred Dollars 00/100 legal tender in the United States of America)** will allow the bidder to win up to 3 lots of diverse merchandise. Once the bidder is the winner of 3 lots, it will be necessary to provide another guarantee.
- b. **Yellow Guarantee: 2,500.00 USD (Two thousand five hundred dollars 00/100 legal tender in the United States of America)** will allow the bidder to be awarded up to 3 lots of machines and/or miscellaneous merchandise. Once the bidder is the winner of 3 lots, it will be necessary to provide another guarantee.
- c. **Green Guarantee: 10,000.00 USD (Ten thousand dollars 00/100 legal tender in the United States of America)** will allow it to be awarded with an unlimited amount of diverse merchandise and machinery.

No later than 2:00 pm, Mexico Central Time, on the day prior to the closing of the Auction, the interested party in participating in the Auction shall send its proof(s) of deposit of guarantees by e-mail to the address: garantiasyliquidaciones@myronbowling.com.mx; once the deposit is identified by THE AUCTIONEER, it shall be validated and notified of its registration as bidder, who shall enter the platform www.bidspotter.com to complete the information requested and conclude its registration. On the closing day of the Auction, the increase of guarantees shall be accepted. THE AUCTIONEER shall keep the guarantee deposits until the closing of the Auction, which shall not generate interest or any amount for any concept for the time they have been deposited. In case the bidder is not the winner of any lot, the guarantees shall be returned within a term of 5 working days as from the reception of the bank data and the corresponding form to the e-mail devoluciones@myronbowling.com.mx. In the case of winning bidders, the guarantee submitted will be taken into account as a credit to the payment of the awarded assets.

7. AUCTION. The Auction shall be carried out in accordance with the following:

- a. It will be held in person at: Av. Ensenada 7641, Parque Industrial Pacifico, Tijuana, Baja California, Mexico.
- b. Starts at 8:00 am local Tijuana time / 10 am Central Time on March 06, 2024 and closes until the last lot is auctioned, considering that:

The Auction will be conducted by an Auctioneer;

- Each lot will be auctioned according to its numbering in the Lot Catalog;
- Bidders may submit bids by pallet or via the Internet through the BidSpotter.com platform.
- Bidders will be able to improve their bids according to the competitors until they reach a level where no bidder is willing to offer more.
- THE AUCTIONEER may reject any bid that is only a minimum increase over the preceding bid that does not correspond to the real value of the property, or that THE AUCTIONEER considers to have been made in an irregular manner or in bad faith.
- THE AUCTIONEER or its affiliate or subsidiaries may bid in the Auction on behalf of third parties.

- Each lot will be awarded to the participant who submits the highest accepted bid. The auctioneer's decision is final.
- Once a Lot has been awarded, THE AUCTIONEER, at its sole discretion, may offer the lots with the modality of choice at the same price as that awarded, another lot or lots of the same model or of similar characteristics;
- **Assets may be auctioned with minimum reserve prices, or are subject to confirmation of acceptance by the seller.**
- All sales are final and no refunds or reimbursement of amounts paid will be made.
- Bids are firm and irrevocable. No bid may be invalidated by the bidder who has placed it. The Lot Catalog has been prepared solely as a guide, based on information from presumably reliable sources; however, THE AUCTIONEER does not guarantee its accuracy, nor is it responsible for any faults or inaccuracies therein. The photographs are only illustrative and therefore the lot covers only what is indicated in its textual description, being in any case the bidder's obligation to verify the characteristics and real state of the goods by means of ocular inspection, in which he may be assisted by specialists or the personnel he deems convenient.
- THE AUCTIONEER may modify the lotification of the assets until before the corresponding lot is auctioned.
- By participating in the Auction, each bidder warrants and covenants that: (i) it will not misrepresent its ability to close the transaction pursuant to the Terms and Conditions of Sale; (ii) it has the legal capacity to close the transaction, and; (iii) it has the authority to place bids and to be in compliance with the acquisition of the property.

8. TAXES. THE AUCTIONEER shall charge each bidder who is awarded a good the Value Added Tax in force (16%) on the sale price.

9. BUYER'S PREMIUM. THE AUCTIONEER shall charge each bidder to whom an asset is awarded, a buyer's premium of 18% on the sale price, plus the corresponding Value Added Tax (16%) on the amount of the premium mentioned in this point.

10. PAYMENT OF ASSETS. The bidder shall make payment for the awarded goods in accordance with the following:

- a. THE AUCTIONEER shall send to the bidder by e-mail the Statement of Account detailing the guarantee presented, the lots awarded, their sale prices and the amounts applicable for taxes and commissions, as well as the information of the bank accounts in which the payments shall be made.
- b. Full payment of the sale price is due **no later than March 11, 2024, with no possibility of extensions.**
- c. If the buyer makes a payment by credit or debit card of foreign denomination, he/she must take into account the exchange value of foreign currency, which may vary at the time of making charges or refunds, to know the exchange rate should contact the finance or accounting department at (722) 211 2883, (722) 327 8215 and (722) 327 8216.
- d. The foreclosed assets shall be considered paid until the money is reflected in the accounts of THE AUCTIONEER.

11. REMOVAL OF ASSETS FROM THE AUCTION. THE AUCTIONEER may remove assets from the Auction before, during and after the Auction, in which case only the amounts deposited shall be returned to the bidder, and therefore no interest or expenses incurred or improvements made to the assets shall be paid to the bidder.

12. SALE WITHOUT LIABILITY. Neither the AUCTIONEER nor the seller are responsible for the physical state, conservation, operation or hidden defects of the assets object of the Auction, since the same are auctioned in the conditions in which they are found, for which reason the operation and/or state of the same is not assured.

Interested buyers must make a visit for physical inspection of the assets to inspect them, the lack of this will not be cause or reason for cancellation or rescission of the sale.

13. ELECTRONIC INVOICE. It is the responsibility of the buyer to register with complete data or, if applicable, to fill out the invoice form available on THE AUCTIONEER's website, and send it digitized to the e-mail address facturacion@myronbowling.com.mx.

The Digital Tax Receipt by Internet (CFDI or invoice) for the purchase will be sent electronically by THE AUCTIONEER to the mail registered in the auction, issued exclusively in favor of the registered buyer, no later than 15 working days after the total payment of the lots. Once the invoice is issued, there are no subsequent modifications or cancellations, it is important to review the information of the lots purchased and in case of any modification, to notify it to the indicated email as soon as possible, before the invoice is issued.

14. DELIVERY AND REMOVAL OF ASSETS. Delivery and removal of the assets shall be carried out at the cost and risk of the purchaser in accordance with the following:

a. It shall be carried out as from the date established by THE AUCTIONEER, without any extension whatsoever and shall be by prior appointment, during the hours provided by THE AUCTIONEER, the buyer shall call the contact that shall be indicated in his Statement of Account in Ceros.

b. It is important that you verify the address where each of the lots are located, since we will have lots at the addresses mentioned in APPENDIX 1.

c. Without exception, no winning bidder may remove an asset without the authorization issued by THE AUCTIONEER and without presenting its Statement of Account "in zero", in addition, it must make full payment of the award price prior to the removal of any asset.

d. The buyer must present valid official identification. In the event that a person is attending on behalf of the buyer, it is necessary for the buyer to fill out the corresponding form, present valid official identification and power of attorney.

e. Expenses incurred for removal shall be borne entirely by the purchaser.

f. As long as the awarded assets have not been paid in full by the winning bidder, the partial exit of assets will not be allowed.

g. Upon entering the facilities where the foreclosed assets to be removed are located, the buyer and the personnel assisting him shall abide by the Health and Safety and Civil Protection Procedures and Protocols established by the seller.

h. Covid-19 Protocol

- Use of Mouth Cover KN-95 (Mandatory)
- Healthy distance of 1.5 Mts. between people
- Use of Antibacterial Gel constantly
- Covid Questionnaire (To be provided by the company).

i. Security Protocol Botas de seguridad

- Chaleco de seguridad
 - Lentes de seguridad
 - Guantes para carga
 - Faja
- j. The buyer may hire handlers and transportation companies, as long as they comply with the requirements of Myron Bowling Auctioneers Mexico and Martin Furniture.
- k. The companies in charge of the removal and transportation of assets shall:
- To have the necessary guarantees and insurance policies, including, among others, civil liability insurance;
 - THE BUYER and/or the maneuvering company shall be solely responsible for the personnel hired for these purposes, who must be registered with the Mexican Institute of Social Security (IMSS); likewise, the CUSTOMER undertakes jointly and severally with the company hired for the removal and withdrawal of the awarded assets, to indemnify both the AUCTIONEER and the seller from any lawsuits or claims that may be attempted against them for the concepts referred to in this LABOR LIABILITY clause, and to reimburse him/her the expenses incurred in case of a conviction, immediately and against the delivery of the respective receipts, in the understanding that the Auctioneer and/or the winner shall always have the right to direct his/her defense and to do so through the lawyers or legal advisors of his/her choice. As responsible for the services of its personnel, and to guarantee its responsibility before the AUCTIONEER and/or seller, in the procedures, lawsuits or claims that are promoted against the AUCTIONEER and/or seller.
- l. The use of forklifts and/or equipment purchased at the Auction itself for maneuvering in the removal of other assets will not be allowed.
- m. It will be the buyer's absolute responsibility to clean up the areas where the purchased lots were located.
- n. It is the sole responsibility of the buyer to comply with governmental safety and environmental regulations for the removal, transportation and use of the foreclosed assets. Certain assets for sale may contain "hazardous substances" as defined under federal, state and local laws and regulations. AUCTIONEER and seller have no obligation to remove any hazardous substances contained in or on any part of any third party
- o. Buyers shall be solely responsible for the costs related to the purchase, removal, transportation or use of any of the awarded assets, as well as for the damages that any of these activities may cause to THE AUCTIONEER and/or seller or any third party.
- p. The buyer shall always confirm the day and time for the withdrawal of the assets, because if this is not done, THE AUCTIONEER and/or the seller shall not be responsible for the false freight, understood as the expenses incurred by the buyer for the withdrawal of the assets and this is not carried out due to lack of confirmation and/or appointment for the withdrawal of the same.

15. BIDDERS' PARTICIPATION IN THE AUCTION AT THEIR OWN RISK. The bidders participate in the Auction under their own responsibility, therefore they waive any claim against THE AUCTIONEER or the seller or their respective agents or employees for any damage, harm, injury or loss of property occurring at the site where the assets are physically located.

16. STATUS OF MACHINERY AND MATERIALS Some equipment, machinery and/or raw materials are

temporarily imported under the IMMEX program; therefore, 3 scenarios will be handled according to the final destination of the equipment.

National Buyer with IMMEX program: A virtual transfer of the program will be made to the customer who purchased the lot at auction.

Domestic Buyer who does not have the IMMEX program: Martin Furniture will make the definitive importation and the corresponding customs declaration and invoice will be delivered to the customer.

Foreign Buyer: The equipment must be exported to cancel the IMMEX program and will be exempt from VAT on the equipment. In cases where the buyers wish to export the acquired assets, they must pay the price offered and the corresponding commissions, the procedures, expenses, taxes, tariffs and export duties will be borne by the buyer.

17. PENALTIES. In the event that the winning bidder fails to make payment for the lots in full (including buyer's premium and/or any applicable taxes) within the time specified, or fails to comply with any of these Terms and Conditions, the right to purchase the awarded lots will be forfeited.

The money delivered by the bidder either as guarantee or partial payments, derived from the default shall be for the benefit of THE AUCTIONEER for damages, without the right to claim its return; and THE AUCTIONEER may freely sell such assets to any other person, without the need of any requirement or notification to the bidder.

If the buyer does not remove the asset(s) awarded within the term indicated, it shall be considered that he/she has renounced to the ownership of the same, for which reason it shall be declared as an abandoned lot and shall be sold again or sent to scrap; without this implying liability of any kind for THE AUCTIONEER or the seller, for which reason the winning bidder may not claim the return of any amount of money paid. The execution of this item shall be carried out without the need of notification or requirement to the bidder, since the non-fulfillment is materialized by the simple term agreed for the removal of the assets.

The Buyer who at the time of withdrawing the assets awarded in the auction, subtracts assets he did not acquire, regardless of the criminal complaint for THEFT, as payment of the civil damage, shall lose the ownership of the assets he acquired, as well as the money delivered for them; being prevented from participating in the Auctions organized by THE AUCTIONEER, without any liability for the latter or the seller.

18. INFORMACIÓN PARA LA PREVENCIÓN DE LAVADO DE DINERO. En cumplimiento a lo establecido en la Ley Federal para la Prevención e Identificación de Operaciones con Recursos de Procedencia Ilícita, los postores deberán entregar los datos y documentos que permitan su identificación y los de sus representantes e informar sobre si tienen conocimiento de Beneficiarios Controladores, por lo que en caso de que no sea proporcionada dicha información, se procederá a cancelar la venta sin responsabilidad alguna para EL SUBASTADOR.

19. TERMS AND CONDITIONS AND NON-NEGOTIABLE BIDS. None of the provisions set forth in these Terms and Conditions, as well as in the bids submitted, may be negotiated.

20. PARAGRAPH HEADINGS. The parties agree that the headings of the paragraphs of these Terms and Conditions are for convenience only and do not modify, define, expand or limit them.

21. JURISDICTION AND APPLICABLE LAW. For the interpretation, compliance and execution of these Terms and Conditions, the parties irrevocably submit to the Jurisdiction of the Competent Courts and

Tribunals of the City of Toluca, State of Mexico and to the legislation of the State of Mexico, waiving any other jurisdiction that may correspond to them in the present or in the future due to their domicile or for any other reason. They will be only for Mexican authorities, exempting the parent company Myron Bowling Auctioneers Inc. from any international claim or lawsuit.

For any questions or comments regarding this Auction, please call 01 (722) 211 2883 or 01 800 699 6269 or send an e-mail to contacto@myronbowling.com.mx.

I ACCEPT THESE TERMS AND CONDITIONS

Bidder's name and signature: _____

Bidder's Number _____

ANEXO 1

Plantas Martin Furniture.	DIRECCION
Martin Furniture Planta Tijuana	Av. Ensenada 7641, Parque Industrial Pacifico, Tijuana, Baja California, México
Martin Furniture Planta San Diego	2345 Britannia Blvd, San Diego, CA 92154, Estados Unidos.