



2015 Toyota National Daily Rental  
Risk / Repurchase Program

Toyota Motor Sales, USA, Inc

**Date: 6/16/2014**

## Highlights:

- Due to availability, Tacoma removed from the Risk program for 2015.
- Six models available for repurchase in 2015: Prius, Corolla, Camry, Avalon, Rav4 and Sienna.
- **Mega change Camry and Prius monthly depreciation is lowered \$55 per month to \$295 per month (Tier 1) and \$275 per month (Tier 2).**
- Repurchase deductibles remain to \$500 in Tier 1 and \$700 in Tier 2.
- 25,000 free miles in Tier 1 and up to 33,000 free miles in Tier 2.
- Maximum miles is now 31,000 in Tier 1 and 35,000 in Tier 2.
- Damage allowance increased to \$3,000 in 2015.
- Time limitation for body repairs was eliminated in 2014.
- Same Day return of rejected units continues – local TFS managers to approve return to RACs of rejected units.
- No temporary rejects for low tire pressure lights.
- Increased Administrative fee remains \$15 per unit on all Licensee purchases.
- All program attachments and data added to [www.fleet.toyota.com](http://www.fleet.toyota.com) website (e.g.: TLS Transportation Claim info, Enrollment Formulas, Contact info etc.).
- **Minimum hold period reduced to 12,000 miles, or six months in service.**
- Due to market demand, Highlander is currently not available for Licensees in 2015.
- Any available Highlanders will be placed in E-mediate pool for first come first allocation basis.
- TFS will expand its successful remarketing program of including Risk Licensee buyer's vehicles in Toyota closed auctions for fee of \$125 per car!

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**PROGRAM TYPE: RISK – Program Year defined Sept 1, 2014 through August 31, 2015**

**PROGRAM HIGHLIGHTS / CHANGES:**

**ELIGIBLE MODELS**

**RISK INCENTIVES**

<b>Risk Vehicles</b>	
<b>Licensee Offer Model</b>	<b>2015 Risk \$ Offer</b>
Corolla	\$300
Camry	\$900
Camry Hybrid	\$750
Venza	\$900
Avalon	\$800
Avalon HV	\$500
Prius	\$1,000
Prius V	\$700
Prius C	\$300
Yaris	\$200
4Runner	\$750
RAV4	\$500
Sienna	\$1,200
Highlander	\$0
Highlander Hybrid	\$0
Sequoia	\$500
Tundra	\$1,500

**Minimum in service requirement for Risk vehicles is 6 months or 12,000 miles, whichever comes first.**

\* Model mix & program volumes must be approved by your respective TMS/PD Fleet Field Manager.

- **Camry model mix of SE vs. LE is open**
- **Tundra/Yaris/Corolla/Sequoia requires TMS approval in Program Year 2015. Submit request via your matrix and TMS will confirm allocations**
- **Highlander is not available for Licensee allocation in Program Year 2015**

Please Note: Licensee program will deduct a \$15 admin fee from the risk incentive on the dealer invoice.

**PROGRAM TYPE: REPURCHASE - Program Year defined Sept 1, 2014 through August 31, 2015**

**PROGRAM HIGHLIGHTS / CHANGES:**

- **TFS (Toyota Remarketing Services) offers all eligible accounts the opportunity to run their Risk vehicles through Toyota Closed Auctions for a nominal fee of \$125 each.**
- Repurchase Tier 1 minimum in-service period is 6 months.

**ELIGIBLE PROGRAM PARTICIPANTS**

Participation in the Program is available to daily rent a car companies meeting TMS financial qualification criteria ("Qualified Accounts").

**ELIGIBLE MODELS**

- Specific models, equipment, and colors are listed in attachments ("Program Vehicles").
- Program Vehicles eligible for repurchase by Toyota Motor Sales, U.S.A., Inc. ("Toyota" or "TMS") must be ordered from production (vehicles sourced from Region/Distributor/Dealer Stock are ineligible).
- Post Production Options (PPO) other than those defined as required (except floor mats, license plate frame and ashtray and lighter assembly) are **not** eligible for the 2015 Daily Rental Repurchase Program (the "Program") for purposes of calculating the repurchase settlement amount as defined below.

**VOLUME AND MODEL MIX REQUIREMENTS**

A specific allocation of vehicles (20 unit minimum) will be assigned to each Qualified Account. TMS reserves the right to revise orders to achieve model/color mix objectives with mutual consent from the qualified account. Models and target mix percentages for the 2015 Program are as follows (complete vehicle specifications are available on [www.fleet.toyota.com](http://www.fleet.toyota.com)). Account, at their discretion, may elect to not return for repurchase up to 50% of their repurchase vehicle by model in given program year.

	ENGINE	GRADE	ADDITIONAL COMMENTS
Corolla 1852		LE	
Camry 2532 / 2546	4 cyl	50% LE / 50% SE	
Avalon 3544	6 cyl	XLE	
RAV4 4440/4442	4 cyl	XLE	
Sienna 5338	6 cyl	LE	8 Passenger
Prius 1223	HYB	Prius Two	

**NOTES:**

- Target model and trim mix percentages are provided as a general guideline for vehicles ordered throughout the course of the model year and may not necessarily apply to small order quantities.

**PROGRAM TIMETABLE**

<b>June 9, 2014</b>	Program Announcement Date
<b>September 1, 2014</b>	The 2015 Repurchase Program applies to all MY15 vehicles in service on or after Sept 1, 2014.
<b>August 31, 2015</b>	Final in-service date
<b>January 31, 2016</b>	Final out-of-service date

## TWO TIER PROGRAM DETAILS

For the 2015 Program Year Toyota will offer a two Tier Program to allow for greater flexibility in fleet management and expense control. The program is designed to allow for enhanced pricing benefits on vehicles kept in service longer. The tier description and benefits are outlined below.

Repurchase - Tier 1			
	Depreciation Monthly		Vehicle Parameters:
Camry	\$295		6 - 13 month service (183 days - 396 days)
Avalon	\$395		<ul style="list-style-type: none"> <li>Minimum in-service requirement 183 days</li> </ul>
RAV4 (both)	\$360		Mileage Penalties:
Sienna	\$450		0-25,000 \$0.00
Prius	\$295		25,001-30,000 \$0.35
Corolla	\$280		31,001 + Ineligible
			<b>Deductible:</b> \$500
Repurchase - Tier 2			
	Depreciation Monthly		Vehicle Parameters:
Camry	\$275		13 - 18 month service (397 - 549 days)
Avalon	\$360		<ul style="list-style-type: none"> <li>Minimum in-service requirement 397 days</li> </ul>
RAV 4	\$330		Mileage penalties:
RAV 4 (4X4)	\$340		0-33,000 \$0.00
Sienna	\$415		33,001-35,000 \$0.25
Prius	\$275		35,001+ Ineligible
Corolla	\$260		
			<b>Deductible:</b> \$700
TIER VOLUME GUIDELINES			
TIER 1: MAXIMUM OF 40% OF TOTAL REPURCHASE			
TIER 2: MINIMUM OF 60% OF TOTAL REPURCHASE			
NOTES:			
1. Early Returns: Vehicles found to be short on in-service time for Tier 2 but ineligible for Tier 1 due to excess mileage may be returned at 10 month min in-service (336 days). In such a case, the in-service period for purposes of calculating applicable depreciation will be based upon the minimum in-service period (13 months) for the qualifying Tier 2 on mileage.			
2. Monthly order & delivery volumes must be consistent with accounts Production Matrix presented to your Toyota Fleet Department.			
3. Monthly variances cannot be supported due to strict production scheduling constraints.			
4. Depreciation rates within each tier will be determined by vehicle in-service dates as defined in the 2015 Toyota Daily Rental Repurchase Program (Toyota dealer invoice plus seven (7) calendar days).			
5. All other policies and provisions of the 2015 Toyota Daily Rental Repurchase Program apply.			
6. Vehicles delivered under this confidential program are not eligible for extended service rebates.			
7. TMS reserves the right to re-evaluate and change monthly/daily rates until vehicle orders have been accepted and confirmed for production.			

## REPURCHASE SETTLEMENT CALCULATION

TMS will repurchase an eligible vehicle tendered by the Qualified Account for the "repurchase settlement amount", which is calculated as follows:

TMS Dealer Invoice	\$ xxx.xx
+ Eligible and/or required factory installed options (at Dealer cost)	+ xx.xx
+ DPH-Delivery	+ <u>xx.xx</u>
<b>= Total Vehicle Capitalized Cost</b>	<b>= \$ xxx.xx</b>
Less: Depreciation based on days in service	- \$ xx.xx
Applicable mileage/depreciation penalties	- \$ xx.xx
Required repairs in excess of \$450/\$650	- \$ xx.xx
Any return special fee/rebate	- \$ xx.xx
Any other specific chargeable item detailed in the General Turn-back Procedures	- <u>\$ xx.xx</u>
<b>= Total Repurchase Settlement Amount</b>	<b>= \$ xxx.xx</b>

### Notes:

- All repurchase payments are conditional and subject to "chargeback" if vehicle is later designated ineligible in accordance with the terms and conditions of the Program Policies and Guidelines (the "Program Guidelines").
- Vehicle Finance Reserve and Vehicle Holdback are not applicable on repurchase of Program Vehicles.
- Damage deductible is based on number of days in-service.

## GENERAL ELIGIBILITY

All Qualified Accounts participating in the 2015 Toyota Daily Rental Repurchase Program (the "Program") must take title of all Program Vehicles in their own name. Ownership shall be evidenced by the Qualified Account being listed as owner in due course on the title document.

Additionally, to be eligible for repurchase, Program Vehicles must be operated from a Qualified Account location within the 48 contiguous states. No Program Vehicles may be transferred to a location in Hawaii or Alaska at any time. Such action renders all involved Program Vehicles ineligible for repurchase.

## DISCLAIMER

Toyota accepts no responsibility or liability for vehicle orders which cannot be filled as a result of consequences beyond its control, such as unexpected production interruption by the manufacturer (SIA, TMC, TMMI, TMMK, TMMC) or force majeure. In addition, there may be situations in which supplies are limited. In such cases, Toyota will notify the Qualified Account/dealer/distributor at the time it accepts an order that there may be a production limitation or limited availability, which could affect the order and/or requested delivery date.

## TERMINATION

Toyota reserves the right to revise, revoke or terminate the Program, including the Program Guidelines at any time, with written notification to Qualified Accounts. Program Vehicles previously delivered to the Qualified Account as of the date the Program is revised, revoked or terminated shall continue to be covered by the Program Guidelines and other terms and conditions in effect prior to the date of such revision, revocation or termination.

In the event of any material breach or default of Qualified Account in compliance with the Program Guidelines, including but without limitation, tendering Ineligible Vehicles for repurchase or failure to pay any amounts validly due to Toyota under the Program, Toyota reserves the right to terminate that Qualified Account's participation in the Program at any time, upon 30-days prior written notice to the Qualified Account, which notice shall specify the nature of the breach or default. Upon the expiration of the notice period, Toyota, at its discretion, may terminate Qualified Account's participation in the Program if any material deficiencies remain uncured. If the violations specified in the aforementioned notice are not cured within such 30-day notice period, Toyota may immediately terminate the Qualified Account's participation in the Program and the Qualified Account will forfeit its Toyota Fleet Identification Number. In addition, the Qualified Account will no longer be eligible to order Toyota vehicles under any other program offered by Toyota for the subject model year.

Any failure by Toyota (TMS) to insist upon strict compliance with the Program Guidelines or other terms and conditions of the Program, or to exercise any right or remedy, shall not be considered a waiver of Toyota's right to insist upon strict compliance with the Program Guidelines or other Program terms and conditions or a waiver of any right or remedy with respect to any existing or subsequent breach or default. No waiver of any breach of any provision of the Program Guidelines or other Program terms and conditions shall constitute a waiver of any prior or subsequent breach of the same, or any prior, concurrent or subsequent breach of any other, provisions of the Program Guidelines or other Program terms and conditions.

## AUDIT AGREEMENT

Toyota reserves the right to audit and verify records of Qualified Accounts before or after repurchase payments have been made. All Program records must be retained and available for a period of 24 months following the conclusion of the Program period. TMS has the right to charge back any repurchase payment and/or incentive payment for units whose eligibility for repurchase cannot be substantiated with documentation, as required by TMS.

## REPURCHASE PROGRAM GENERAL POLICIES

- Under the Program, only qualified vehicles are eligible for repurchase.
- **All eligible Repurchase vehicles must be identified as "REPURCHASE" at time of turn-in. Any unidentified vehicle will be set aside by auction staff and not accepted until such time returning rental account designates such vehicle as repurchase.**
- Program Vehicles must be purchased by a Qualified Account.
- This Program constitutes an agreement on the part of TMS to repurchase certain eligible vehicles owned and operated by Qualified Accounts. Benefits of and participation in the Program, as well as ownership of Program Vehicles are non-transferable and non-assignable from one Qualified Account to another. Program Vehicles must be delivered to and purchased by the Qualified Account entity for which the vehicles were originally ordered.
- The Qualified Account must provide TMS with a completed Repurchase Program Enrollment Form to participate in the 2015 Repurchase Program (form will be available at the [www.fleet.toyota.com](http://www.fleet.toyota.com) website).
- The Qualified Account must concur with TMS on the delivery and subsequent turn back locations as directed and approved by TMS.
- Acceptance of an order by the Toyota ordering system does not constitute a commitment from Toyota to build a vehicle. At TMS sole discretion, TMS reserves the right to cancel, limit production, amend, revise, reassign, or revoke any order at any time.
- Program selections are irrevocable: transfers of vehicles between the Repurchase Program and any other program are not allowed.
- All Program Vehicles must have current registration and all applicable state and local taxes must be paid.
- The Qualified Account must provide TMS with a 20-day written notice prior to returning 150 or more Program Vehicles to any one location in a calendar month. Qualified Accounts returning less than 150 Program Vehicles to any one location in a calendar month are not required to provide prior written notice. Program Vehicles tendered in excess of 150 units in a calendar month to auction marshalling/ramp locations without prior written approval from TMS will be accepted for repurchase eligibility only with the understanding that vehicle arrival will constitute the 20-day notice. An additional 20 days of depreciation will be charged.
- Failure to comply with all Program Guidelines may result in the termination of the Qualified Account's right to participate in the Program, including the right to purchase Program Vehicles.



## INELIGIBLE VEHICLES

**Any vehicle described below is classified as an ineligible vehicle ("Ineligible Vehicles") under the Program and will not be qualified for repurchase:**

- Vehicles that have been category transferred from "E" (Retail units) to "J" (fleet units) without TMS approval.
- Vehicles purchased from dealer stock.
- Vehicles utilized in daily rental service locations outside the Continental United States or Alaska (Hawaii units are not eligible).
- Vehicles which were not utilized by an eligible daily rental operation for daily rental purposes.
- Vehicles which do not meet the required factory equipment standards. Post Production Options (except floor mats and license plate frame) will not be included in total vehicle capitalized cost for purposes of calculating the repurchase settlement amount.
- Vehicles purchased under the Program that have not been pre-approved by TMS.
- Vehicles that have not been presented with acceptable repair orders or reject challenges within time frame specified in the General Turn-Back Procedures of these Program Guidelines.
- Vehicles that have not achieved a "clean wholesale condition" (as defined in the Vehicle Turn Back Standards of the Program Guidelines) by the 549<sup>th</sup> day in-service or which have sustained damage of such nature that they cannot achieve clean wholesale condition as specified in the Vehicle Turn Back Standards of these Program Guidelines.
- Vehicles for which the Qualified Account has not provided a signed and approved condition report, completed odometer report and clean title by the 549<sup>th</sup> day-in-service.
- Vehicles flagged as "recovered theft" not turned in with prior written notification of such status.
- Vehicles not owned by and titled in the name of the Qualified Account.
- Vehicles utilized at any time as shuttle vehicles, service replacement vehicles, demonstrators, employee vehicles, and promotional vehicles.
- Vehicles sold or leased at any time to public utilities, taxicab companies, and state, local, or federal government agencies.

## IN-SERVICE AND OUT-OF-SERVICE DATES

- The in-service date is defined as the Toyota dealer invoice date plus seven (7) calendar days (not delivery date). The latest date an eligible Program Vehicle may be placed in service is August 31, 2015.
- The out-of-service date is defined as the date a unit is tendered for repurchase, accepted at the receiving auction marshalling/ramp location as directed and approved by TMS. The out-of-service-date may be extended by TMS if the following conditions are not met:
  - The auction marshaling/ramp location must be presented with a **condition report** approved and signed by an authorized representative of the Qualified Account.
  - An **odometer statement** completed by the Qualified Account.
  - A **clear title** to the vehicle received within five (5) business days of the date of inspection.

"Clear title" means that the Qualified Account has tendered all documents necessary to transfer title and state motor vehicle records do not show that the vehicle has been salvaged or flagged as a recovered theft unit. Program Vehicles which have been flagged as recovered theft may be eligible for repurchase if they meet all applicable eligibility

requirements and the Qualified Account presents the auction marshaling/ramp location with written notification at the time of turnback. Any vehicle flagged as a theft recovery vehicle that is turned in without this notification will not be eligible for repurchase.

If these conditions are not met, daily depreciation charges will continue to be assessed and the vehicle will be considered "in-service" until all conditions have been satisfied. In addition, if these conditions have not been satisfied by the 549th day of service, the vehicle will be declared ineligible for repurchase.

Vehicles turned back to a receiving auction marshaling/ramp location and subsequently damaged due to an act of God such as hail or flood, will continue to be eligible for repurchase by TMS provided:

- a) The damaged vehicle(s) would otherwise be eligible for repurchase under the terms and conditions of the Program. Examples of Ineligible Vehicles would include, but not be limited to: units in-service in excess of 549 days, previous collision repair exceeding **\$3,000 (deductible damage only)**, structure or frame damage or odometer reading exceeding 35,000 miles. See "Ineligible Vehicles" under the Program Guidelines.
- b) The condition report was approved and a clear title was surrendered by the Qualified Account within five (5) business days of the date the vehicle was inspected.

To permit inspection of vehicles for prior or existing damage, vehicles returned to receiving auction marshaling/ramp locations after working hours or on weekends will not be considered received until the following business day.

As outlined in the general policies, the Qualified Account must provide TMS with written notice 20-days prior to shipping more than 150 Program Vehicles to an auction marshaling/ramp location. If the Qualified Account fails to provide the advance notification, TMS shall consider the arrival at the auction marshaling/ramp locations of such vehicle(s) to be the Qualified Account's 20-day notice. Consequently, the out-of-service date will be adjusted and reflect a date of 20 days from the arrival date at the auction marshaling/ramp locations.

#### **VEHICLE TURNBACK NOTIFICATION PROCEDURES**

**UPON TURN IN, ALL PROGRAM VEHICLES MUST BE IDENTIFIED AS "REPURCHASE", ANY UNIDENTIFIED VEHICLE WILL BE SET ASIDE BY AUCTION STAFF UNTIL UNIT IS APPROPRIATELY IDENTIFIED AS REPURCHASE BY RENTAL ACCOUNT -- Returned repurchase vehicles must be identified as "Toyota Repurchase" when returned to the auctions.**

- Toyota will assign turn-back locations and volumes as required. No more than 50 percent of the total Qualified Account Program vehicles may be returned during a single calendar month without prior TMS approval.
- Auctions and assigned ramps participating in the Program are the only locations available for vehicle returns. TMS and Toyota Financial Services ("TFS") will exclusively determine the eligible auctions, ramps and volumes to be returned to each location.
- The Qualified Account must advise TMS in writing twenty (20) days before the Qualified Account plans to ship more than 150 Program Vehicles to an auction marshaling/ramp location. Turn back approvals expire 30 days after the approved turnback date, and all subsequent returns must be approved by separate request.
- The Qualified Account must return at least 50% of all repurchase Program Vehicles (by model) to auction.
- The 20-day written notification must include the intended return location and quantity of vehicles:

**Notification must be sent to:**

Toyota Motor Sales, U.S.A., Inc.  
Attention: Cheryl Davis,  
Fleet Program Administrator  
19001 South Western Avenue, M.D. HQ32  
Torrance, CA 90509-2991  
Phone: (310) 468-2246  
Email: Cheryl\_Davis@toyota.com

## REPURCHASED VEHICLE SETTLEMENT PAYMENT

- After a vehicle is accepted for repurchase under the Program and the Qualified Account has met all conditions described in the General Turn-Back Procedures, TMS will use reasonable efforts to expedite payment to the Qualified Account. Normal processing time should not exceed forty-five (45) business days.
- TMS accepts no responsibility for payment delays due to administrative errors or disputes that delay the vehicle from being designated as eligible for repurchase under the Program.
- Toyota does not staff or process during the winter holiday period. Vehicles received in December will be processed by January 31, 2015.
- Payment will be made directly to the Qualified Account. Payment may be made directly to a Qualified Account's lender, provided that a Joint Payee Request Form and Lender's Acknowledgement are submitted to TMS and approved by TMS in advance of the return of the previously approved vehicles. TMS will not approve any request to make direct payments to any new lender until the Qualified Account's original lender provides written verification that it no longer has a security interest in any of the Qualified Account's TMS Program Vehicles. Joint payment of repurchase proceeds will not be made to multiple finance sources of a Qualified Account.

## GENERAL TURNBACK PROCEDURES

1. Qualified Accounts are responsible for arranging shipment of the number of Program Vehicles approved by TMS to the auction/marshaling ramp locations designated by TMS/TFS. No more than 50 percent of the total Qualified Account Program purchase may be returned during a single calendar month without prior TMS approval.
2. Designated auctions will use a standard "Vehicle Condition Report" approved by TMS, or other approved format (example of form will be available at the [www.fleet.toyota.com](http://www.fleet.toyota.com) website).
3. Vehicle Condition Reports will be completed by the auction on all Program Vehicles presented for repurchase at designated auctions. These Vehicle Condition Reports will be binding on both Toyota and the Qualified Account in case of a dispute between Toyota and the Qualified Account.
4. At the time of turn-in, all vehicles with any prior impact collision repairs of **\$600** or more must be presented at the auction/ramp location with repair orders and accepted by the 549<sup>th</sup> day-in-service. The vehicle inspection process will not be completed until the repair orders are presented. In those instances where the required repair orders are not presented and the auction marshaling/ramp has reason to believe that the vehicle sustained prior impact collision repairs in excess of \$600, the vehicle may be deemed ineligible for repurchase. The vehicle will remain "in-service" until the required repair orders are received and the auction arrival date will be adjusted to reflect such date. After the required repair orders have been presented, if the vehicle is otherwise eligible for repurchase, it will be considered "out-of-service".
5. Estimate of damages will be based on rates established by TFS.
6. If upon inspection of the vehicle, TMS or its representative determines that a vehicle is not in "clean wholesale" condition, as defined in the Vehicle Turn-Back Standards of these Program Guidelines, TMS or its representative may reject the vehicle. Rejected vehicles remain "in-service" until they meet all requirements for "out-of-service" status or become ineligible for repurchase because of the failure to achieve "clean wholesale" condition. All challenges on rejected Program Vehicles must be received within 30 calendar days of rejection notification. If the challenge is not received within 30 calendar days, the vehicle will be declared a permanent reject and ineligible for repurchase under the Program. In the event of dispute between the parties over the issue of structural/frame damage or sub-standard repair, the parties will mutually select and pay the expenses of an independent appraiser whose decision shall be final and binding on the parties.

7. TMS assumes no responsibility for "risk" units or other non-Program vehicles presented to auction/ramp locations. Any loss or expenses relating to risk units presented as 'Program Vehicles' are the sole liability of the Qualified Account. The Qualified Account is responsible for all costs, damages, and expenses associated with the handling of any "risk" vehicle which is turned back and shipped to the auction or sold at the auction including but not limited to: transportation, body and paint work, parts replacement, customer or dealer claims, and attorney's fees. All fees associated with "risk" units will be billed directly to the Qualified Account by the appropriate auction location.

## VEHICLE TURNBACK POLICY STATEMENT

The Qualified Account Program Vehicle is surrendered when the Qualified Account signs-off the Condition Report, delivers a completed Odometer Report and completes the transfer of Title. Once surrendered, the vehicle becomes the property of TMS. Upon surrender, all Damage Deductibles and chargeables specified in the condition report will be applied by TMS to make the vehicle achieve: "clean wholesale condition."

As a convenience to Qualified Accounts, vehicles may be turned in with unrepaired damage under the following condition:

- Toyota will accept applicable units exhibiting Chargeable Damage or other damage exceeding the Damage Deductible for sheet metal/paint/trim repairs, missing/damaged parts replacement, tire, and glass replacement. 100% of the amount of Chargeable Damage and the amount in excess of the Damage Deductible will be deducted from the repurchase price.

Any repairs performed by the Qualified Account should be completed prior to the vehicle return. Once a vehicle has been inspected and surrendered it cannot be removed from the premises to complete selective repairs unless authorized by TMS and the auction/ramp. On a pre-approved basis, the Qualified Account may be permitted to replace parts, glass, trim and tires on site if satisfactory arrangements can be made with the auction/ramp. Authorized removal or on site repairs will result in an appropriate adjustment of the arrival date to the date the repairs were completed or the date the vehicle was returned to auction.

The out-of-service date will be established upon vehicle surrender. A Qualified Account may receive approval to repair vehicles on-site, but such vehicles remain in Qualified Account inventory (not in TMS inventory) until all repairs are complete. The date the Qualified Account or its vendor completes the vehicle repairs, shall become the revised arrival date for purposes of establishing applicable depreciation and penalties.

## VEHICLE TURNBACK STANDARDS

**Program "Previous Repair" threshold is \$3,000 (Deductible damage only) excluding chargeables. Previous examples of chargeables (i.e.: Glass, excessive carpet wear, upholstery damage, missing parts and tire/wheel replacement will not be part of deductible)**

TMS will absorb the cost of sheet metal/paint repairs on those units returned with less than \$500 (Tier One)/\$700 (Tier Two) in deductible damages. If damages exceed the applicable Damage Deductible, the Qualified Account may:

1. Remove and repair the vehicle so that the remaining damage is less than the applicable Damage Deductible.
  2. Choose to return the vehicle unrepaired and damages in excess of the applicable Damage Deductible will be deducted from the repurchase price of the unit.
- Paintless Dent Repair methods are acceptable to TMS providing no access holes have been drilled. Paintless Dent Repair may not be utilized to repair hail damage (**Vehicles with repaired or existing hail damage are ineligible for repurchase**).
  - **A vehicle sustaining structural, frame, hail, fire or water damage, is not eligible for repurchase.** In the case of a unibody vehicle, structural damage includes, but is not limited to, repaired or existing damage to the roof rails, pillar

posts, rocker panels, all underbody structures, structural rails, strut or shock towers, front and rear bumper shock brackets, and front radiator supports (core support) and brackets.

**“Clean Wholesale Condition” shall be defined as:**

1. Returned in sound mechanical operating condition.
2. Returned with no structural damage, hail, fire, or water damage whether repaired or not.
3. Returned with all required scheduled maintenance performed according to type and intervals specified by TMS in the maintenance booklet manuals. TMS reserves the right to require evidence of such maintenance upon request. All vehicles exhibiting evidence of not adhering to scheduled maintenance including oil and filter changes will be rejected without recourse.
4. Returned with no windshield chips greater than 3/16 inch in diameter. Within the driver’s wiper swipe, no more than 4 chips, 1/16 inch or greater, are allowed within an area which can be covered by a 3 ½ inch by 5 ½ inch card. Minor chips/pits with no cracks or legs outside the driver’s wiper swipe that do not compromise the windshield structure are acceptable. All replacement glass must conform to OEM standard. **\*\*Please note: If a vehicle is returned and does not meet the aforementioned requirements, a \$500 fee will be deducted from the repurchase price.**
5. Returned with no excessive carpet or upholstery damage, including burns and permanent stains (plugs, partial sections or other non-production type repairs are unacceptable). Commercially acceptable repair must have been made or the cost of repair/replacement will be charged to the Qualified Account. **Upholstery burns and stains will be charged at \$85 each or the actual amount if lower than \$85.** Interior damage is not part of the Damage Deductible. **Missing Floor Mats will be charged at \$50 per Mat.**
6. Returned with no missing or damaged parts (body side moldings, wheel covers, spare tires, etc.). The cost of any missing parts will be charged to the Qualified Account and is not part of the Damage Deductible. Parts replacement due to collision damage is chargeable against the applicable Program Deductible.
7. Returned with all tires (including the spare) meeting TMS original equipment standards, matched in size, quality, and brand. A minimum of 5/32-inch tread depth or better remaining across all treads is required. Tire/wheel replacement is not part of the Damage Deductible. Vehicles not meeting tire requirements can be removed and repaired to meet standards. **Accounts that choose to return vehicles to the auction with worn or mismatched tires will be charged a fee of \$400 per tire that will be deducted from the repurchase price.**
8. Returned with the same factory-installed equipment with which the vehicle was originally delivered. All factory provided manuals and two sets of keys are required. These charges are not part of the Damage Deductible.
  - Missing manuals: Assessed at **\$20.00** per copy.
  - **Missing Keys and Remote Keyless Entry Fobs: Assessed a charge of \$250 each.**
  - **Smart keys where applicable \$500 replacement.**
9. Returned clean with a minimum of one-quarter tank of gas. **There will be a \$50 charge for all vehicles returned with less than one-quarter tank of gas.** All units are to be washed and vacuumed prior to turn-in and must be clean; and the exterior free of dirt, mud, tar, road paint, and interior area free of debris in both passenger and luggage compartments. All fluids and lubricants at proper levels, cooling system winter protected to -20 degrees and batteries charged. Auctions/ramps are authorized to charge accounts directly at locally prevailing rates to bring vehicles to these minimum inspection readiness standards. (Chargeable wash fee @ \$15.00 for unclean cars interior and exterior).
10. Returned with all required warranty, repairs/recalls and special service campaigns completed.
11. Returned with no damaged, broken, cracked, chipped or otherwise imperfect headlights, running lights, turn signal lights, taillights, clearance lights, or lenses. Replacement of these parts, which are safety related, is not part of the Damage Deductible.
12. Returned with no missing, altered, or otherwise non-factory vehicle identification plates, or EPA emissions decals.

13. Returned with no Speedometers/Odometers which are inoperable, or show evidence of tampering, whether repaired or not. Speedometers/Odometers, which have been repaired or replaced under warranty, will be accepted provided that copies of the warranty repair are presented with the vehicle. RAC must comply with their local Speedometers/Odometers repair/replacement legal requirements. Any vehicle turned back with undisclosed speedometer/odometer repairs will be permanently rejected from repurchase consideration and designated an Ineligible Vehicle.

14. Returned with a designation of "recovered theft" with written notification as to such status.

**"Clean Wholesale Condition" is not defined as:**

1. A vehicle with a history of previous collision repairs in excess of **\$3,000 (deductible damage only)**. Once tendered the vehicle will be deemed permanently ineligible for repurchase.
2. A vehicle with existing damage in excess of **\$3,000 (deductible damage only)**. Once tendered the vehicle will be deemed permanently ineligible for repurchase.

Vehicles will not be accepted for repurchase consideration and will be designated as Ineligible Vehicles if they have a history of previous damage totaling more than **\$3,000 (deductible damage)** or existing body damage of more than **\$3,000 (deductible damage)**. A vehicle may be considered for repurchase if there is a history of previous damage totaling under \$3,000 combined with existing body damage of under \$3,000.

If airbags have been deployed or stolen and replaced, the cost of the replacement airbags will not be included for purposes of determining whether previous damage or existing damage exceeds \$3,000. Toyota must be notified of the airbag replacement in writing at the time a vehicle is turned back. Notices of airbag repairs are to be submitted by the rental location directly to the turn back ramp/auction. Any vehicle turned back without notification of airbag repairs will be rejected and designated as an Ineligible Vehicle.

**GENERAL**

Vehicles removed from the Program, or vehicles that have been turned-in and later removed from the auction premises dedicated to Program vehicles for any reason become the sole responsibility of the Qualified Account and the Qualified Account should make arrangements to have the unit sold by the auction or returned to their place of business within a reasonable length of time. Any storage charges deemed appropriate by the auction are the sole responsibility of the Qualified Account.

By enrolling in the Program, a Qualified Account agrees to comply with all Program requirements, standards and procedures, including these Program Guidelines, and agrees to indemnify, defend and hold harmless Toyota Motor Sales, U.S.A., Inc. and Toyota Financial Services from and against any and all claims arising out of the Qualified Account's failure to comply with applicable requirements, standards, and these Program Guidelines with respect to such tendered vehicle and any claims arising out of the Qualified Account's ownership, use or possession of such tendered vehicle.

**TOYOTA MOTOR SALES U.S.A., INC. Responsibilities**

- Communicate with participating Qualified Accounts to determine the auction marshaling/ramp locations to which vehicles will be shipped.
- Prepare repurchase settlement checks in a timely manner with information received from auction marshaling/ramp locations. Auction marshaling/ramp locations will notify Toyota of units accepted by serial number, out-of-service date, chargeable damage to the Qualified Account, and mileage to facilitate calculation of the repurchase price.

**TOYOTA FINANCIAL SERVICES Responsibilities**

- Inspect vehicles promptly to ensure repurchase condition standards are met.

- Provide a copy of the Vehicle Condition Report to the Qualified Account in a timely manner. The condition report will reflect the date the unit was received and accepted at the auction/ramp. Any discrepancies in the out of service date should be brought to the attention of the auction/ramp immediately.
- Interface with Qualified Accounts concerning TMS Repurchase Program return policies and procedures.
- Communicate and train auction personnel in all areas of the TMS Repurchase Program policies and procedures.

#### **QUALIFIED ACCOUNT Responsibilities**

- Complete Daily Rental Repurchase Enrollment Form after reviewing these Program Guidelines and submit to TMS.
- Must inspect vehicle(s) purchased by it under the Program upon delivery and confirms that the vehicle(s) was/were in satisfactory condition unless noted in a damage claim filed within five (5) business days of initial delivery. Claim must be filed with their TMS/PD Fleet Manager on any vehicle received with transportation damage.
- Coordinate shipment of vehicle(s) to the auction/ramp designated by TMS/TFS.
- Track the in-service date of each unit to ensure that each unit meets Program requirements prior to the maturity date of the vehicle. Failure to allow sufficient time for repairs and the receipt of the title at the auction/ramp may cause the unit to exceed maximum allowable time in service and be disqualified from the Program.
- Ensure that vehicles being returned to the auction/ramps have signed condition reports within five (5) business days of the date the vehicle was inspected at the auction/ramp location or the out-of-service date will be adjusted to reflect this delay.
- Ensure that vehicles being returned to the auction/ramps have completed odometer statements and clear titles within five (5) business days of the date of inspection or the out-of-service date will be adjusted to reflect this delay.
- Notify TMS within ten (10) working days if Qualified Account has not received notification of Program acceptability or rejection from the auction/ramp location within ten (10) working days.
- Present any challenge on rejected vehicles within 30 calendar days from notification date.

**See all forms and attachments on the  
[www.fleet.toyota.com](http://www.fleet.toyota.com) website**