

## Mazda of Everett Corporate Discount Program

**1. These General Terms and Conditions are an integral part of all Mazda Fleet Programs** and as such are incorporated by reference into each Program and are binding upon MAZDA and Dealer as if separately agreed to by each of them.

Each program is customized to meet your Companies needs. Please contact George Leckenby or Joe Garcia at 888.871.8777

**"ELIGIBLE FLEET ACCOUNT"** means a qualified Commercial Leasing Company, Commercial Fleet, Daily Rental Company or governmental agency which has purchased and registered (for use in its business or for lease to others) not less than five (5) motor vehicles during the twelve (12) month period or calendar year preceding the date that the Program Period starts, or any other entity designated by MAZDA from time to time in any Mazda Fleet Program as an Eligible Fleet Account

**"ELIGIBLE FLEET VEHICLE"** Means a new Mazda brand motor vehicle of the type identified by MAZDA in the Mazda Fleet Program, which is sold by a Dealer and first registered or titled to an Eligible Fleet Account in the United States of America in accordance with the provisions of the Mazda Fleet Program. No vehicle shall be an Eligible Fleet Vehicle which has been used as a demonstrator or service loaner, or as otherwise determined by MAZDA. No vehicle leased by an Eligible Fleet Account to its customer shall be an Eligible Fleet Vehicle unless such lease is determined by MAZDA to be a bona fide lease for a term of not less than twelve (12) months.

**"ORDER"** means an order submitted by a Dealer and accepted by MAZDA for an Eligible Fleet Vehicle to be sold by MAZDA to Dealer for resale to an Eligible Fleet Account in accordance with the provisions of a Mazda Fleet Program. MAZDA in its sole discretion may from time to time require a minimum number of Eligible Fleet Vehicles for a single Order.

**"OUT OF STOCK"** means a sale by Dealer of an Eligible Fleet Vehicle from the existing inventory of Dealer.

**"COMMERCIAL FLEET"** means a company which purchases Eligible Fleet Vehicles for use by its employees in the conduct of the company's business, or as otherwise determined by MAZDA. Vehicles must be registered in company/lessor name or Dealer/company will be subject to Fleet incentive chargeback.

**"DAILY RENTAL COMPANY"** means a company which regularly engages in the rental of motor vehicles to the general public on a daily, weekly or monthly basis and which purchases Eligible Fleet Vehicles for the purpose of such rentals, or as otherwise determined by MAZDA.

**"COMMERCIAL LEASING COMPANY"** means a company which regularly engages in the long term lease of motor vehicles to companies for use by its employees in the conduct of the company's business and which purchases Eligible Fleet Vehicles for the purpose of such leases, or



as otherwise determined by MAZDA. Leasing companies who lease to retail customers are not eligible for a MAZDA Fleet Identification Number (F.I.N.).

**"DEALER AFFILIATED LEASING COMPANY"** means a Leasing company to which Eligible Vehicles are sold by a Dealer and which is owned or controlled by Dealer, or any of its immediate or ultimate shareholders or any of their relatives, whether directly or indirectly, as determined by MAZDA.

## 2. APPROVAL OF ELIGIBLE FLEET ACCOUNTS

On or before any order is placed by a Dealer for the sale of an Eligible Fleet Vehicle, an application must be submitted to MAZDA for each Eligible Fleet Account in the manner required by MAZDA, using MAZDA's Application for Fleet Account Eligibility Form (MFP 1) or such other form or document required by MAZDA. MAZDA reserves the right to approve or disapprove any account as an Eligible Fleet Account. Approval by MAZDA in no way constitutes a determination or approval by MAZDA of the credit worthiness of the Eligible Fleet Account, and Dealer shall not rely on any such approval for such purpose. Upon approval, MAZDA will issue the Eligible Fleet Account a unique MAZDA Fleet Identification Number (F.I.N.) or confirm the account's number using the most recent publication of the R. L. Polk Fleet Name List or other similar publication selected by MAZDA. Such identification number must be specified on all Orders, claims and other communications by Dealer to MAZDA regarding the Eligible Fleet Account.

## 3. ORDERS

**ACCEPTANCE AND FLEET ORDER NUMBER** - An Order must be submitted to MAZDA for each Eligible Fleet Vehicle in the manner and at the time required by MAZDA.

Such submission shall be made using MAZDA's Account Order Form (MFP 2) or other such form or document required by MAZDA. All Orders are subject to acceptance by MAZDA and MAZDA reserves the right to accept or reject any order. Upon acceptance, MAZDA will issue Dealer a unique MAZDA Fleet Order Number (F.O.N.) which must be specified on all claims and other communications by Dealer to MAZDA regarding the Order. All Orders are irrevocable and constitute an absolute obligation of Dealer to MAZDA. All orders are subject to Fleet production availability.

**PRICE PROTECTION NEW MODEL YEAR INTRODUCTION** - Mazda Fleet Programs contemplate that Dealers will place Orders for Eligible Fleet Vehicles prior to MAZDA's new model year introduction and pricing thereof. In each such case, MAZDA will sell the Eligible Fleet Vehicle to Dealer at a price determined by MAZDA to be equal to the lower of (i) MAZDA's announced introduction base vehicle price and optional equipment prices for the Eligible Fleet Vehicle, or (ii) MAZDA's final base price and optional equipment prices in the prior model year of the vehicle of the same type as the Eligible Fleet Vehicle, plus a percentage specified by MAZDA in the applicable Mazda Fleet Program.

**PRICE PROTECTION - DURING THE MODEL YEAR** - Mazda may change its base vehicle price or optional equipment prices for Eligible Fleet Vehicles during a model year. MAZDA will price



protect all Eligible Fleet Vehicles to the prices in effect on the day the Order was received by MAZDA. Delivery, Processing and Handling Fees are not price protected.

#### 4. DELIVERY OF VEHICLES

**DELIVERY OF ORDERS - MAZDA** will use its best efforts to deliver Eligible Fleet Vehicles as Ordered, but Dealer acknowledges that MAZDA shall have no liability or obligation as a result of any failure to deliver Eligible Fleet Vehicles according to any schedule or at any specific time. If MAZDA determines that it will be unable to fulfill any Order on a timely basis, MAZDA shall notify Dealer promptly.

**OUT-OF-STOCK DELIVERIES** - If Dealer delivers an Eligible Fleet Vehicle to an Eligible Fleet Account under a Mazda Fleet Program on an Out of Stock basis, Dealer may request MAZDA to sell Dealer a vehicle to replace the Eligible Fleet Vehicle in Dealer's inventory. MAZDA will use its best efforts to provide such a vehicle to Dealer, taking into account such factors as Dealer's level of inventory and the availability of vehicles to MAZDA and other Dealers. Dealer acknowledges that there is no assurance that MAZDA will be able to provide such a vehicle to Dealer at any particular time, or to provide a vehicle of any particular model, color, etc.

**COURTESY DELIVERY ALLOWANCE** - Mazda Fleet Programs contemplate that Eligible Fleet Vehicles will be delivered in some cases to Eligible Fleet Accounts by a Dealer other than the Dealer selling the Eligible Fleet Vehicles. In each such case, at the time the selling Dealer submits the Order for the Eligible Fleet Vehicles to MAZDA, the selling Dealer must identify the Dealer which will make the courtesy delivery. MAZDA will pay a courtesy delivery allowance to the courtesy delivery Dealer which has been so identified, equal to \$250 for each Eligible Fleet Vehicle so delivered to an Eligible Fleet Account determined by MAZDA. The delivering dealer should file the MFP3 claim form only if the vehicle is sold from stock; otherwise the courtesy delivery payment is automatically paid by the Mazda fleet department. Vehicles sold to Daily Rental companies are not eligible for the Courtesy Delivery Allowance.

**DELIVERING DEALER PDI** - Mazda Fleet Programs contemplate that Eligible Fleet Vehicles delivered to Dealers by MAZDA pursuant to Orders will have PDI work performed by MAZDA at its port locations, but in some cases such PDI work will be required by MAZDA to be performed by Dealers. In each case where a Dealer performs PDI work at the request of MAZDA, MAZDA will pay Dealer an amount determined by MAZDA to equal (i) the suggested repair time established by MAZDA for such work in its warranty manual or as otherwise determined by MAZDA, multiplied by (ii) Dealer's warranty labor rate approved by MAZDA. This applies to commercial and rental vehicles.

#### 5. PDI/MINOR WARRANTY STATIONS



Mazda Fleet Programs contemplate that Daily Rental Companies which comply with requirements established by MAZDA from time to time will be approved by MAZDA to take direct delivery of Eligible Fleet Vehicles sold to them as an Eligible Fleet Account, to perform PDI work required by MAZDA, and to perform certain work of a minor nature under the Manufacturer's Limited Warranty on such Eligible Fleet Vehicles. Such arrangements shall be established and administered by MAZDA as a program related to but separate from Mazda Fleet Programs and all communications regarding such matters shall be directly between the Daily Rental Companies and MAZDA.

## **6. PAYMENTS OR CREDITS TO DEALERS**

**FLEET INCENTIVES (ORDERS AND OUT OF STOCK TRANSACTIONS)** - Mazda Fleet Programs contemplate that most Eligible Fleet Vehicles will be delivered pursuant to Orders but that in some cases Eligible Fleet Vehicles will be sold by Dealers to Eligible Fleet Accounts in Out-of-Stock transactions.

Mazda Fleet Programs will provide incentives to Dealers in either or both of such cases, as specified in the Mazda Fleet Program. Dealer will be required to submit a claim to MAZDA in order to receive the incentive for the Out-of-Stock transaction.

**COURTESY DELIVERY ALLOWANCES** - Allowances and payments as described in Section 4 will require submission of a claim by Dealer.

**UNIFORM MARKETING CHARGE** - If Dealers submitting Orders for which MAZDA collects Uniform Marketing Charge assessments by including such amounts in its invoices to Dealers for vehicles, MAZDA will delete such assessments from invoices to Dealers for Orders. The Uniform Marketing Charge (U.M.C.) will not be reimbursed on out of stock transactions.

**SUBMISSION OF CLAIMS** - All claims by Dealers for payment under a Mazda Fleet Program must be submitted by Dealers in the form and manner required by MAZDA. Claims for courtesy delivery, or Out-of-Stock sales of Eligible Fleet Vehicles shall be made using MAZDA's Fleet Claim Form (MFP 3). All claims must be submitted by Dealer to MAZDA within 30 days after the occurrence of the event giving rise to the claim, i.e., the making of the courtesy delivery, or the sale of an Eligible Fleet Vehicle on an Out of Stock basis, for which a claim must be filed under a Mazda Fleet Program. MAZDA SHALL HAVE NO OBLIGATION TO MAKE ANY PAYMENT TO DEALER WHERE DEALER HAS FAILED TO TIMELY SUBMIT A CLAIM WITHIN SUCH 30 DAY PERIOD.

**PAYMENTS TO THE DEALERS** - All amounts owed by MAZDA to Dealers under a Mazda Fleet Program shall be paid by MAZDA upon receipt of an accurately completed claim form. All such payments are made subject to MAZDA's right to audit and chargeback as described in Section 7.

**ELIGIBILITY FOR PAYMENTS OR CREDITS** - Dealer shall not be eligible to receive from MAZDA or any other person any payment, credit or benefit under any program offered by MAZDA or in which MAZDA participates (including, without limitation, retail incentives, dealer incentives, money received for the Mazda Facility Support Programs, money received for the Mazda Winner Circle program, retail vehicle allocation incentives, and other incentives or programs intended for retail sales), other than a Mazda Fleet Program, as a result of Dealer's purchase or sale of an Eligible



Fleet Vehicle for which Dealer has submitted an Order or a claim pursuant to a Mazda Fleet Program, except as determined by MAZDA. If Dealer is otherwise eligible for any payment, credit or benefit other such program or under the Mazda Fleet Program, MAZDA shall determine the amount of any payment, credit or benefit to Dealer.

## **7. AUDIT AND CHARGEBACK**

**DEALER DOCUMENTATION** - Dealer shall be responsible for obtaining and documenting all information related to Dealer's certification on an Order or claim to MAZDA for payment under a Mazda Fleet Program. Such documentation shall include but not be limited to documents substantiating the eligibility of each company for which Dealer submits an Application for Fleet Account Eligibility (MFP-1), all sales records, odometer mileage statements, registration and/or title applications and temporary registration statements, documents substantiating the accuracy of all information on a Fleet Order Form (MFP-2) or Fleet Claim Form (MFP-3) submitted by Dealer, and documents substantiating compliance of Eligible Fleet Accounts with the Vehicle in Service requirement stated below. Dealers shall retain all such documentation which relates to a Mazda Fleet Program for at least one year after the end of the Program Period.

**VEHICLE IN SERVICE REQUIREMENT** - To help assure that all sales of Eligible Fleet Vehicles to Eligible Fleet Accounts are bona fide transactions, each such Eligible Fleet Vehicle must be (i) placed in use (or leased for use) within thirty (30) days after delivery to the Eligible Fleet Account and (ii) kept in fleet service in the United States and not resold by the Eligible Fleet Account for the following periods of time: eight (8) months if the Eligible Fleet Account is a Daily Rental Company, eight (8) months if the Eligible Fleet Account is a Commercial Fleet, and twelve (12) months if the Eligible Fleet Account is a Commercial Leasing Company. FAILURE OF AN ELIGIBLE FLEET ACCOUNT TO COMPLY WITH THESE REQUIREMENTS WILL SUBJECT THE DEALER WHICH SOLD THE ELIGIBLE FLEET VEHICLE TO A CHARGEBACK FOR THE ELIGIBLE FLEET VEHICLE AS DESCRIBED BELOW.

**AUDIT MAZDA** - reserves the right to verify all information submitted by or with respect to any Dealer, Eligible Fleet Account, or Eligible Fleet Vehicle in connection with a Mazda Fleet Program, including but not limited to all documents retained by Dealer as required above. MAZDA and its representatives shall have the right upon MAZDA's request to inspect all Dealer records at Dealer's premises during normal business hours for such purpose and Dealer agrees to provide any other documentation requested by MAZDA and otherwise cooperate with and assist MAZDA in such audit.

**CHARGEBACKS - MAZDA** is relying upon Dealer to accurately inform MAZDA of all information relating to the eligibility of vehicles claimed to be Eligible Fleet Vehicles by Dealer under a Mazda Fleet Program and to monitor Eligible Fleet Accounts for compliance with the Vehicle in Service requirement stated herein. If MAZDA determines that Dealer has provided MAZDA with any incorrect, incomplete or misleading information in connection with the Mazda Fleet Program, that Dealer has materially breached or failed to perform its agreements under the Mazda Fleet Program, or that an Eligible Fleet Vehicle sold by Dealer does not comply with the Vehicle-in-



Service requirement, MAZDA shall have the right to charge Dealer for any or all of MAZDA's costs and expenses of auditing Dealer, and for any or all payments, credits and benefits received by Dealer under the Mazda Fleet Program. For such purpose, Dealer hereby authorizes MAZDA to charge such amount directly to any credit account maintained by MAZDA for Dealer, and to offset such amount against any amount MAZDA may otherwise owe Dealer under Mazda Fleet Programs or otherwise. MAZDA shall also have the right to suspend Dealer's right to participate in Mazda Fleet Programs as MAZDA determines is appropriate.

## 8. OTHER

**NO AGENCY** - Mazda Fleet Programs do not make either MAZDA or Dealer the agent, partner or legal representative of the other for any purpose. Dealer specially acknowledges that Dealer's submission of an application for an Eligible Fleet Account or placing of an Order under a Mazda Fleet Program will not obligate MAZDA in any manner except as specified in the Mazda Fleet Program.

**NO IMPLIED WAIVERS** - The failure of MAZDA to require any performance by Dealer under any Mazda Fleet Program shall not affect the right of MAZDA to require such performance at any time thereafter under such Mazda Fleet Program or any other Mazda Fleet Program.

**TAXES MAZDA** shall have no liability for any taxes of any kind arising from the sale of a motor vehicle under any Mazda Fleet Program, or the lease of a motor vehicle sold there under.

**INTERPRETATION AND MODIFICATION** - Whenever MAZDA is required or permitted under any Mazda Fleet Program to make any determination or interpretation, the decision of MAZDA in making such determination or interpretation shall be final and binding upon all Dealers concerned. MAZDA at anytime may cancel, amend, modify, expand or revoke any Mazda Fleet Program or any provision thereof, provided that it provides Dealers prior written notice thereof.

## 9. ELIGIBILITY QUESTIONS

Mazda Fleet Programs have been created to help individual Mazda Dealers develop and penetrate local and national fleet markets. MAZDA does not intend for Mazda Fleet Programs to be used as a substitute for retail sales or to divert retail sales from Mazda Dealers. The following therefore should be kept in mind:

A. No fleet incentives are available to Dealers unless they sell an Eligible Fleet Vehicle to an Eligible Fleet Account. An "Eligible Fleet Account" is defined by the Mazda Fleet Program General Terms and Conditions as an end user that has purchased and registered a minimum of five (5) vehicles in its company name within the past twelve (12) months or the preceding calendar year or otherwise is approved by MAZDA.

In determining whether a Dealer's customer is an Eligible Fleet Account, MAZDA generally will rely on the R. L. Polk published list of fleet registrations of end users having five (5) or more new registrations during the relevant time-period.



MAZDA wants to encourage sales opportunities to smaller fleets in local markets at this time, and recognizes that smaller fleets often will not be covered by the R. L. Polk list. Therefore, any customer which has at least five (5) vehicles with outstanding registrations during the relevant time-period may apply and will be considered at this time for approval by MAZDA as an "Eligible Fleet Account". The customer will be required to submit to MAZDA copies of the registrations for such vehicles and any other documentation necessary to establish its eligibility to MAZDA's satisfaction.

In either case, prior approval by MAZDA of customer's R. L. Polk identification number or issuance by MAZDA of a unique Mazda Fleet Identification Number (F.I.N.) is required to obtain any benefit under a Mazda Fleet Program.

B. BROKERING OF VEHICLES SOME CUSTOMERS/ DEALERS MAY RESELL ELIGIBLE FLEET VEHICLES AS NEW VEHICLES OR OTHERWISE "BROKER" THEM RATHER THAN PLACE THEM INTO LEGITIMATE SERVICE AS INTENDED BY MAZDA. THIS COULD ADVERSELY AFFECT MAZDA DEALERS AND UNFAIRLY PLACE THEM AT A COMPETITIVE DISADVANTAGE. MAZDA THEREFORE WILL REQUIRE ALL PERSONS WISHING TO BECOME AN ELIGIBLE FLEET ACCOUNT TO PROVIDE MAZDA AND THE SELLING DEALER WITH THE WRITTEN ASSURANCE THAT NO SUCH REALES WILL BE MADE. ANY CUSTOMER/ DEALER WHO ENGAGES IN SUCH ACTIONS WILL BE SUBJECT TO AUDIT AND CHARGEBACK FOR ANY INCENTIVES PAID ON THE VEHICLES IN QUESTION. IN ADDITION, MAZDA WILL CANCEL THE FLEET IDENTIFICATION NUMBER (F.I.N.) IMMEDIATELY.

C. Because of the limited availability of vehicles for fleet purposes at this time, MAZDA will limit incentives in the case of Commercial Leasing Companies. MAZDA FLEET PROGRAM INCENTIVES WILL BE PAID ON SALES TO A COMMERCIAL LEASING COMPANY ONLY WITH RESPECT TO ELIGIBLE FLEET VEHICLES WHICH ARE LEASED TO COMMERCIAL FLEETS APPROVED BY MAZDA (i.e., END USERS). LEASES THROUGH MAZDA AMERICAN CREDIT OR OTHER LENDING INSTITUTIONS TO INDIVIDUALS ARE NOT ELIGIBLE FOR INCENTIVE PAYMENTS UNDER THE MAZDA FLEET PROGRAMS. MAZDA THEREFORE WILL REQUIRE ALL LEASING COMPANIES TO PROVIDE MAZDA AND THE SELLING DEALER WITH A WRITTEN ASSURANCE THAT SUCH VEHICLES WILL ONLY BE LEASED TO COMMERCIAL FLEETS.

D. MAZDA requires that all fleet orders be supported with and accompanied by a valid purchase order(s) from a customer who is an Eligible Fleet Account (an end user approved by MAZDA).

NOTE: If the customer is a Commercial Leasing Company, documentation also is required by MAZDA to identify the lessee so that the bona fide end user in the transaction can be established; if the lessee is not a Commercial Fleet (an end user approved by MAZDA), the transaction will not qualify for the Mazda Fleet Program.

E. MAZDA depends on its authorized Dealers to comply with the written provisions and intent of Mazda Fleet Programs. Although MAZDA will take all steps it believes necessary to prevent abuses, Mazda Dealers should report promptly any concerns or problems in this area directly to Mazda's Fleet Sales Department (949)727-6411. It also is imperative that a Mazda Dealer who



enters into a Mazda Fleet Program use its best efforts to make sure that vehicles to be delivered to a customer will be used for a bona fide purpose in short, EVERY MAZDA DEALER SHOULD KNOW ITS CUSTOMER.

F. As part of its effort to prevent abuses, MAZDA periodically will audit fleet transactions to make sure that all rules and restrictions are complied with by selling Dealers. In the event of non-compliance, there will be significant penalties: (i) the selling Dealer will be charged back for all fleet incentives received as well as MAZDA's audit and enforcement costs, including attorney's fees; (ii) the Dealer's subsequent retail allocation will be adjusted by the number of units which MAZDA determines to be in non-compliance; and (iii) the Dealer will be restricted from future participation in Mazda Fleet Programs at MAZDA's discretion, for a period that could be as long as two years depending upon individual circumstances.

The bottom line is that Dealers who decide not to comply with Mazda Fleet Programs do so at their own risk. MAZDA sincerely hopes that these situations will not arise and that all Mazda Dealers will fully comply with the Mazda Fleet Programs.

#### **10. RETAIL INCENTIVE ADJUSTMENT**

From time to time the retail incentive may exceed the agreed upon fleet incentive. MAZDA will pay the dealer the difference between the retail incentive and the contractual fleet incentive. The RDR date will determine the amount of incentive to be paid. The Dealer must submit an MFP 3 form within 30 days to receive the fleet/retail incentive variance payment.

This incentive adjustment does not apply to any Eligible Fleet Account who has a Competitive Price Allowance Program with the Mazda Corporate Fleet Department or any Daily Rental Company.

#### **11. RETAIL GREATER THAN FLEET**

Should the customer purchase a vehicle out of dealer stock, the greater of the current national retail or Commercial fleet incentive will be paid. Any units purchased out-of-stock should be reported, (RDR), as "Fleet" by the Dealer. The Dealer must submit an MFP3 form within six months to receive the incentive payment.

#### **12. RETAIL ALLOCATION CREDIT**

Fleet units do not count towards the retail allocation turn and earn feature of the Mazda Allocation System: see paragraph 12 of the Dealer Agreement.

