



## Volkswagen Credit Auction Plus Program Participation Agreement

This Volkswagen Credit Auction Plus Program Participation Agreement ("**Agreement**") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ ("**Effective Date**"), by and between VW Credit, Inc., doing business as Volkswagen Credit ("**VCI**") and \_\_\_\_\_ ("**Participating Dealer**"), each a "**Party**" and collectively, the "**Parties**".

**WHEREAS** VCI has an established wholesale auction network through contractual relationships with various auction services providers (each a "**Participating Auction**" and collectively, "**Participating Auctions**") and regularly engages the services of Participating Auctions in VCI sponsored live and electronic (Internet) sales (each a "VCI Sponsored Auction Sale" or collectively, "**VCI Sponsored Auction Sales**") to facilitate the disposition of VCI off-lease and repossessed pre-owned Volkswagen ("**VW**") and Audi brand vehicles (each a "**VCI Vehicle**" and collectively, "**VCI Vehicles**");

**WHEREAS** VCI Sponsored Auction Sales are coordinated and marketed in cooperation with Participating Auctions and VCI remarketing representatives ("**VCI Remarketing Representatives**"), and are generally well-attended by dealers interested in bidding on and purchasing pre-owned VW and Audi brand vehicles ("**Purchasing Dealers**");

**WHEREAS** Participating Dealer would like to take advantage of the relationships, experience, marketing, and expertise of VCI and VCI Remarketing Representatives, together with the attendance of Purchasing Dealers at VCI Sponsored Auctions;

**WHEREAS** VCI has established this Auction Plus Program permitting VW franchised dealers who have attained Performer or Champion level status under the VW Affinity program (each, an "**Eligible Dealer**" and collectively "**Eligible Dealers**") to offer eligible pre-owned VW and Audi brand vehicles, as more particularly described below (each, an "**Eligible Vehicle**" and collectively, "**Eligible Vehicles**") for inclusion in VCI Sponsored Auction Sales together with VCI Vehicles, and to receive certain other services performed by VCI Remarketing Representatives (the "**Program**");

**NOW THEREFORE**, in consideration of the foregoing and other good and valuable consideration, the Parties hereby agree to the following terms and conditions regarding Participating Dealer's participation in the Program:

### Program Objectives

The Program provides Eligible Dealers with a simple, efficient, and proven remarketing channel in which to sell and liquidate pre-owned VW and Audi inventory. The Program capitalizes on VCI's auction expertise, available buyer incentives, established vendor relationships, scale and logistics, and extends many of these benefits to Eligible Dealers while presenting a branded environment dedicated to the sale and remarketing of pre-owned VW and Audi brand vehicles.

### Program Definitions

- Authorization Request Form – The document attached to this Agreement as Exhibit C used by Participating Dealer to identify Eligible Vehicles submitted to VCI for consideration and acceptance into the Program, which form includes the VIN, year, make, model, color, current mileage, known defects (including collision repair, frame damage (as defined by the NAAA Structural Damage Policy), missing or inoperable parts and mechanical defects), wash detail level desired (Clean Up Wash and Vacuum or Deluxe Detail), Floor Price, and anticipated arrival date at Participating Auction for each Eligible Vehicle and Participating Dealer's contact name and telephone number.
- Block - Location of platform from which auctioneer conducts the sale of Program Vehicles.
- Clean Up Wash and Vacuum – Exterior wash; clean interior glass; dress tires; vacuum interior and trunk.
- Condition Report – The report prepared by a Participating Auction Representative following an inspection of a Program Vehicle containing photos of the Program Vehicle and identifying any readily identifiable previous paint work and/or frame damage, interior and exterior cosmetic defects, damage and deviation from original condition, missing keys and transit damage.
- Deluxe Detail – Exterior wash; clean interior glass; dress tires, moldings, wheels and wheel wells; vacuum interior and trunk; remove trash; pre-spot interior stains; remove tar and road film; degrease wheels, moldings, engine compartment and door jambs; clay vehicle to remove paint contaminants; clean interior hard surfaces; extract (clean) carpets, seats, floor mats and trunk; apply interior fabric protection; remove scuff marks or paint transfers; light compound and glaze, polish and apply exterior paint sealant.

- Floor Price – As communicated by Participating Dealer on the Authorization Request Form, the lowest acceptable target bid at which a Program Vehicle may be sold by a Participating Auction at a VCI Sponsored Auction Sale.
- Non-Wholesale Dealers – Dealers that do not floorplan finance their vehicle inventory with VCI.
- Offer Fee – The fee paid by a Participating Dealer for a Program Vehicle to be included in the Sale Catalog and placed in the Run Order for a particular VCI Sponsored Auction Sale.
- Participating Auction Provider Agreement – A separate agreement between Participating Dealer and a Participating Auction that sets forth the respective rights and obligations of Participating Dealer and the Participating Auction relating to vehicles, including Program Vehicles, which are being consigned by Participating Dealer to the Participating Auction for sale at auction, including a VCI Sponsored Auction Sale.
- Participating Auction Representative – The person(s) designated by a Participating Auction to whom Auction Request Forms are to be submitted by Participating Dealer, and who are responsible for inspecting Program Vehicles prior to them being included in a VCI Sponsored Auction Sale and for managing the relationship between Participating Dealer and the Participating Auction under the Participating Auction Provider Agreement.
- Program Vehicle – Eligible Vehicles which have been offered for inclusion by Participating Dealer in a particular VCI Sponsored Auction Sale and accepted by VCI for inclusion in such VCI Sponsored Auction Sale.
- Removal Fee – The fee paid by a Participating Dealer for the removal of an unsold Program Vehicle from the Participating Auction's facilities.
- Run Order – The ordered sequence, as determined by VCI in its sole discretion, in which VCI Vehicles and Program Vehicles are intermixed and offered for sale at a VCI Sponsored Auction Sale.
- Sale Catalog – The printed catalog of VCI Vehicles and Program Vehicles to be offered for sale at a particular VCI Sponsored Auction Sale which is made available to Purchasing Dealers prior to the VCI Sponsored Auction Sale.
- Sale Ready Condition – All books and keys are present and all retail marketing materials have been removed from the Program Vehicle.
- Sales Success Fee – The fee to be paid by a Participating Dealer following the completed sale of a Program Vehicle to a Purchasing Dealer at a VCI Sponsored Auction Sale.
- Wholesale Dealers – Dealers that floorplan finance their vehicle inventory with VCI.

### **Program Vehicle Eligibility**

Vehicles submitted by Participating Dealer to VCI for consideration and acceptance by VCI into the Program, so-called "Eligible Vehicles," must satisfy the following preliminary requirements:

- Vehicles must be owned by Participating Dealer which dealer must be an Eligible Dealer.
- Vehicles must be either a VW or Audi brand vehicle.
- Vehicles must be current model year or within the three (3) previous model years.
- Vehicles must have fewer than 100,000 miles.
- Vehicles must have a clear, negotiable title.
- Vehicles must not have a lemon law or corporate buyback history.
- Participating Dealer must disclose all known defects (including collision repair, structural damage (as defined by the NAAA Structural Damage Policy), missing or inoperable parts and mechanical defects).
- Vehicles must have all other required disclosures, including true miles unknown and flood/hail damage.
- Vehicles purchased from VCI through VolkswagenDirect or AudiDirect or through a prior VCI Sponsored Auction Sale must be owned and retained in Participating Dealer's inventory for at least thirty (30) days from the date of acquisition.

The failure of Participating Dealer to disclose any known defects or the falsification of any required disclosures may result in the suspension or exclusion of Participating Dealer from the Program.

## **Program Limitations**

VCI wants to ensure that an optimal sales mix of VCI Vehicles and Program Vehicles are presented at each VCI Sponsored Auction Sale. For this reason, VCI reserves the right, in its sole discretion, to reject any Eligible Vehicles for inclusion in the Program if it determines that the inclusion of such Eligible Vehicles in the Program may have an adverse financial impact on the VCI Vehicles to be offered for sale or the overall success of a particular VCI Sponsored Auction Sale. For example, an Eligible Vehicle could be rejected by VCI based upon a determination that the declared Floor Price is unrealistic, or that the particular VCI Sponsored Auction Sale already includes a surplus of similar models.

## **Program Sale Process**

- Together with the execution and return of this Agreement and each anniversary of the Effective Date thereafter, Participating Dealer must complete, execute and return the Limited Power of Attorney form attached hereto as Exhibit A, authorizing VCI to take any and all actions on behalf of Participating Dealer necessary to perform the services contemplated under this Agreement with respect to Program Vehicles, including performing the following powers as contemplated by this Agreement: (i) the power to request a CarFax History Report for Program Vehicles; (ii) the power to advise Participating Auctions of Participating Dealer's election to have Participating Auction perform and charge for either a Clean Up Wash and Vacuum or a Deluxe Detail of Program Vehicles; (iii) the power to include Program Vehicles in VCI Sponsored Auction Sales; (iv) the power to establish and advise Participating Auctions on the Run Order for Program Vehicles and VCI Vehicles at VCI Sponsored Auction Sales; (v) the power to represent Participating Dealer on the Block at VCI Sponsored Auction Sales and to accept bids on Program Vehicles within three percent (3%) of the Floor Price rounded to the nearest \$100.00; (vi) the power to represent Participating Dealer in any arbitration of Program Vehicles, including the approval of further repairs or concessions for a Program Vehicle, or directing a Participating Auction to repurchase a Program Vehicle; and (vii) the power to take any and all other actions necessary or desirable to effectuate the powers granted herein in connection with the Program and any VCI Sponsored Auction Sale.
- At least seven (7) days prior to the date scheduled for a particular VCI Sponsored Auction Sale, Participating Dealer will complete an Auction Request Form identifying the Eligible Vehicles that Participating Dealer wishes VCI to consider for acceptance into the Program and for inclusion in the particular VCI Sponsored Auction Sale. Participating Dealer will be required to submit such requests to [auctionplus@vwcredit.com](mailto:auctionplus@vwcredit.com).
- Following the receipt of an Auction Request Form for a particular VCI Sponsored Auction Sale, the designated VCI Remarketing Representative will review the Floor Prices established by Participating Dealer for all Eligible Vehicles. If the VCI Remarketing Representative believes the Floor Price established by Participating Dealer for an Eligible Vehicle materially exceeds what would be an appropriate Floor Price for the Eligible Vehicle taking into account current market conditions, then the VCI Remarketing Representative or the Participating Auction Representative will contact Participating Dealer directly to determine whether Participating Dealer is willing to reduce the Floor Price. If the Participating Dealer is unwilling to reduce the Floor Price, the VCI Remarketing Representative may choose not to accept the Eligible Vehicle into the Program.
- Participating Dealer must deliver to the Participating Auction all Program Vehicles to be included in a particular VCI Sponsored Auction Sale with clear, negotiable titles and such other documentation required by VCI and/or the Participating Auction to effectuate the sale of the Program Vehicles at the VCI Sponsored Auction Sale at least seven (7) days prior to the date of the VCI Sponsored Auction Sale. Participating Dealer will be responsible making arrangements for, and all costs and fees associated with, transporting Program Vehicles from Participating Dealer's facilities or other designated location to the Participating Auction's facilities. All Program Vehicles must be delivered in Sale Ready Condition (other than detailing).
- A Participating Auction Representative will inspect each Program Vehicle upon arrival to ensure it is in Sale Ready Condition, review any CarFax consignor alert received for a Program Vehicle, and prepare a Condition Report for each Program Vehicle in accordance with Participating Dealer's Participating Auction Service Agreement with the Participating Auction.
- All Program Vehicles will be washed and prepped in accordance with the election made by Participating Dealer in the applicable Auction Request Form, and the description and Condition Report for each Program Vehicle will be added to the Sale Catalog by the Participating Auction as instructed by the VCI Remarketing Representative along with any required sale disclosures and/or announcements consistent with the sale announcements and/or disclosures utilized with VCI Vehicles.
- Participating Dealer will be identified in the Sale Catalog and on the Block at each VCI Sponsored Auction Sale as the owner/seller of the Program Vehicles included in the Run Order.
- During each VCI Sponsored Auction Sale, the designated VCI Remarketing Representative will represent Participating Dealer on the Block and will have the power to accept bids on behalf of Participating Dealer.
- Participating Dealer authorizes VCI to accept the highest bid if it is within three percent (3%) of the designated Floor Price rounded to the nearest \$100.00.

- No documents relating to the sale, assignment or transfer of ownership of any Program Vehicle will be executed by VCI. Prior to offering Eligible Vehicles to VCI for its consideration and acceptance into the Program, Participating Dealer will be responsible for executing a separate Participating Auction Provider Agreement with each Participating Auction pursuant to which Participating Dealer appoints or empowers the Participating Auction either under a separate Limited Power of Attorney or by such other means as Participating Dealer's agent for purposes of the sale of Program Vehicles at a VCI Sponsored Auction Sale, including granting the Participating Auction the power to transfer title and the authority to collect sale proceeds from Purchasing Dealers for Program Vehicles on behalf of Participating Dealer and to remit such proceeds in accordance with this Program and the separate Participating Auction Provider Agreement, including withholding and dispersing Participating Auction fees and VCI Program fees before remitting any net proceeds to Participating Dealer.

**Program Arbitration Process; Repurchased Program Vehicles**

- Any arbitration proceedings relating to Program Vehicles sold at a VCI Sponsored Auction Sale (each, an "**Arbitrated Program Vehicle**" and collectively, "**Arbitrated Program Vehicles**") will be conducted and administered by VCI in accordance with the VCI Arbitration Guidelines, a current copy of which is attached hereto as Exhibit B.
- A VCI Remarketing Representative will facilitate any arbitration conducted and administered by VCI, and, as and when necessary, with the assistance of a Participating Auction Representative, for Arbitrated Program Vehicles.
- Participating Dealer grants the VCI Remarketing Representative the sole authority to resolve arbitration issues, including, but not limited to, approving further repair of or concessions for an Arbitrated Program Vehicle, or directing a Participating Auction to repurchase an Arbitrated Program Vehicle. If VCI authorizes a repair, concessions or repurchase of an Arbitrated Program Vehicle, the cost of such repair or concessions will be charged to Participating Dealer by the Participating Auction in accordance with the terms of Participating Dealer's Participating Auction Provider Agreement with the Participating Auction.

**Program Fees**

- All Program Vehicles included in the Run Order for a VCI Sponsored Auction Sale are subject to an Offer Fee, as listed below, and all Program Vehicles sold at a VCI Sponsored Auction Sale are subject to a Sales Success Fee, as listed below. Such fees will be cumulated and deducted by the Participating Auction out of the proceeds of the sale of the Program Vehicles for the VCI Sponsored Auction Sale prior to remitting any net proceeds to Participating Dealers.
- All Program Vehicles included in the Run Order for a VCI Sponsored Auction Sale are subject to either a Clean Up Wash & Vacuum fee or a Deluxe Detail fee (collectively, a "**Wash Fee**"), as listed below, based on Participating Dealer's election as set forth on the applicable Auction Request Form. Such fees will be charged by the Participating Auction and deducted from the proceeds of the sale of the Program Vehicles for the VCI Sponsored Auction Sale prior to remitting any net proceeds to Participating Dealers.
- All Program Vehicles that are not sold at a VCI Sponsored Auction Sale are subject to removal by Participating Dealer ("**Removed Program Vehicles**") and will be charged a Removal Fee, as listed below, by the Participating Auction. Such fees along with the Offer Fees and Wash Fees for any Removed Program Vehicles are immediately due and payable to the Participating Auction in accordance with the terms of this Agreement. In addition, Participating Dealer will be responsible for making arrangements for, and all costs and fees associated with, removing and transporting Removed Program Vehicles from the Participating Auction's facilities to Participating Dealer's facilities or other designated location.
- The Offer Fee, Sales Success Fee, Wash Fee and Removal Fee may be different if Participating Dealer is a Wholesale Dealer or a Non-Wholesale Dealer. Such fees are subject to change by VCI from time to time during the term of this Agreement upon thirty (30) days' prior written notice to Participating Dealer.
- Other fees and terms and conditions may apply to services provided Participating Dealer by Participating Auctions depending on Participating Dealer's Participating Auction Provider Agreement with a Participating Auction.

**Wholesale Dealers**

**Non-Wholesale Dealers**

**Program Fees:**

Offer Fee	\$20	\$20
Sales Success Fee	\$275	\$325

**Participating Auction Fees:**

Clean Up Wash & Vacuum/Deluxe Detail	\$35/\$100	\$35/\$100
Removal Fee	\$15	\$15
Registration and Title Processing Fees*	\$XX	\$XX

\* All applicable registration and title processing fees will be charged to Participating Dealer.

## **Disclaimer**

VCI specifically disclaims any responsibility, and makes no representations or warranties, under the Program and in connection with any VCI Sponsored Auction Sale relating to any Program Vehicles for any of the following:

- Information contained on any Auction Request Form or CarFax History Report
- Inspections conducted, and any Condition Report prepared, by Participating Auction Representatives
- Condition of Program Vehicles notwithstanding any inspections conducted, and Condition Reports prepared, by Participating Auction Representative
- Information, including the vehicle description and any other required disclosures and/or announcements, contained in any Sale Catalog
- Verification of an Odometer Statement and other Program Vehicle disclosures
- Registration and title of Program Vehicles
- Handling and storage of Program Vehicles at Participating Auctions' facilities
- Theft or conversion of, or loss or damage to, Program Vehicles in transit or while at Participating Auctions' facilities
- Execution of sale documents
- Collection of sale proceeds from Purchasing Dealer
- Payment of net sale proceeds to Participating Dealer
- Handling, storage and removal of unsold Program Vehicles from Participating Auctions' facilities
- Costs of repairs to, concessions for or repurchases of Arbitrated Program Vehicles

VCI does not guarantee payment to Participating Dealer of the net sales proceeds of Program Vehicles resulting from any VCI Sponsored Auction Sale.

## **Other Obligations of Participating Dealer**

- Participating Dealer agrees to maintain policies of insurance of such type and in such amounts of coverage as it deems necessary to protect itself from any and all actions, claims, causes of action, suits, demands, proceedings, losses, damages and liabilities arising out of or connected with its participation in the Program and any theft or conversion of, or loss or damage to, Program Vehicles.
- Participating Dealer agrees that it will not bid or cause bids to be made at any VCI Sponsored Auction on Program Vehicles which it owns.
- Participating Dealer agrees that title is not to be reassigned to VCI or the Participating Auction, but remains at all times with Participating Dealer, except as required to execute a repurchase of a Program Vehicle subject to arbitration proceedings.

## **Miscellaneous**

- **No Warranties** – VCI makes no warranty or representation regarding the services performed by a Participating Auction in connection with the Program.
- **Limitation of Liability** – VCI shall not be responsible for any actions, claims, causes of action, suits, demands, proceedings, losses, damages or liabilities connected with (i) the use, operation, sale or possession of Program Vehicles, except to the extent caused by the gross negligence or intentional acts or omissions of VCI employees, or (ii) the disclosure, use or movement of any non-public personal customer or employee information entrusted by Participating Dealer to Participating Auction in connection with the Program.
- **Indemnification** – Participating Dealer agrees to indemnify, defend and hold harmless VCI, its officers, directors, employees, representatives, agents, delegates, successors and assigns, from and against any and all actions, claims, causes of action, suits, demands, proceedings, losses, damages, liabilities, costs and expenses (including reasonable attorneys' fees and disbursements) of whatever kind and nature, arising from (i) breaches by Participating Dealer of any of its representations, duties or obligations under this Agreement, (ii) the execution by VCI or its officers, employees or agents of any documents related to the sale, assignment or transfer of ownership of any Program Vehicle, or the taking of any action that VCI has deemed necessary or desirable in connection therewith, or arising from Participating Dealer's participation in the Program, (iii) the use, operation, sale or possession of Program Vehicles, except to the extent caused by the gross negligence or intentional acts or omissions of VCI employees, and (iv) the disclosure, use or movement of any non-public personal customer or employee information entrusted by Participating Dealer to Participating Auction in connection with the Program.

- Term and Termination – This Agreement shall be effective on the Effective Date and will continue in effect until earlier terminated as provided herein. This Agreement may be terminated by either Party on ten (10) days prior written notice to the other Party. This Agreement shall automatically terminate if Participating Dealer is no longer an Eligible Dealer. Upon any termination, Participating Dealer will be liable for all amounts payable to VCI as of the effective date of termination. After this Agreement terminates, the provisions that expressly or by their nature contemplate performance or observance after it terminates will survive and continue in full force and effect with respect to Program Vehicles sold by a Participating Auction before the termination, and no Authorization Request Form may be submitted by Participating Dealer under this Agreement after it terminates.
- Force Majeure - Neither Party shall be liable for any failure or delay in the performance of its obligations under this Agreement (other than its payment obligations) to the extent such failure or delay is caused, without fault of the non-performing Party, by fire, flood, earthquake, elements of nature, or acts of God; acts of war, riots, civil disorders, rebellions or revolutions; quarantines, embargoes, and other similar governmental action; or any other similar cause beyond the reasonable control of such Party.
- No Third Party Beneficiaries - Each Party acknowledges and agrees that no third party will be deemed to be an intended or unintended third party beneficiary of this Agreement.
- Confidentiality – Each Party will maintain in confidence, and will cause its directors, officers, employees, agents and advisors to maintain in confidence, all confidential information of the other Party and in so doing will apply the standard of care for safeguarding such confidentiality as it uses for its own confidential and proprietary information, but in no event less than a reasonable degree of care. For purposes hereof, confidential information means any information that should reasonably be understood by a Party to be confidential or is marked or designated in writing by a Party as confidential and that is not already generally available to the public. Confidential information does not include any information which: (i) a Party possessed prior to disclosure by the other Party, without an obligation of confidentiality, (ii) is or becomes publicly available without breach of this Agreement by the Party, other than non-public personal customer or employee information, (iii) is or was independently developed by the Party without the use of any Confidential Information of the other Party, or (iv) is or was received by the Party from a third party that does not have an obligation of confidentiality to the other Party.
- Publicity - Neither Party will, without the other Party's prior written consent, (i) use the name, trademark, service mark, trade dress, logo or other identifying marks of the other Party in any sales, marketing or publicity activities or materials, or (ii) issue any press release, interviews or other public statement regarding this Agreement or the Parties' relationship.
- Notices - All notices, demands, or other communications required to be given under this Agreement shall be in writing, and will be deemed given when personally delivered, sent by registered or certified mail, return receipt requested with postage prepaid, sent by e-mail transmission with an electronically confirmable means of delivery, or sent by commonly recognized overnight courier service to the Party to whom the notice, demand or communication is directed addressed as set forth below:

If to VCI: VW Credit, Inc.  
 3800 Hamlin Road  
 Auburn Hills, MI 48326  
 Attention: Director, Remarketing

with a copy to: VW Credit, Inc.  
 2200 Ferdinand Porsche Drive  
 Herndon, VA 20171  
 Attention: Office of General Counsel

If to Supplier: [Name of Participating Dealer]

-----  
 -----

Attention: -----

- Modification - No supplement, alteration, amendment, modification or change of this Agreement will be valid or binding unless in writing and signed by authorized representatives of the Parties.
- Waiver - The failure of either Party to enforce strict performance by the other Party of any provision of this Agreement or to exercise any right under this Agreement will not be construed as a waiver to any extent of that Party's right to assert or rely upon any provision of this Agreement or right in that or any other instance. All waivers must be in writing and signed by the Party waiving rights.

- **Assignment** - This Agreement may not be assigned by Participating Dealer without the express written consent of VCI. VCI may assign this Agreement, or any of its rights hereunder, in whole or in part, without Participating Dealer's consent.
- **Interpretation** - Each Party acknowledges that this Agreement should not be construed in favor of or against any Party by reason of the extent to which any Party or its professional advisors participated in the preparation of this Agreement.
- **Governing Law** - This Agreement will be governed by and construed in accordance with the applicable laws of the State of Delaware, without giving effect to the principles of that State relating to conflicts of laws.
- **Waiver of Jury Trial** - THE PARTIES TO WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN THE RESOLUTION OF ANY DISPUTE OR CLAIM, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, BETWEEN ANY OF THE PARTIES OR ANY OF THEIR RESPECTIVE SUBSIDIARIES OR AFFILIATES ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THIS AGREEMENT.
- **Counterparts** - This Agreement may be executed in two counterparts, each of which shall be deemed an original, but both of which together shall constitute one and the same instrument. A facsimile or e-mail transmission of a portable document format version of this Agreement executed by a Party shall be deemed to be an original.
- **Entire Agreement** - This Agreement, including the Exhibits attached hereto and all Authorization Request Forms submitted by Participating Dealer to VCI pursuant hereto (which are hereby incorporated into this Agreement by reference), constitutes the entire agreement of the Parties, superseding all prior agreements and understandings as to the subject matter hereof notwithstanding any oral representations or statements to the contrary heretofore made.

**IN WITNESS WHEREOF**, VCI and Participating Dealer have caused this Agreement to be executed as of the Effective Date by their duly authorized representatives.

**VW CREDIT, INC.**

**Participating Dealer Name:** \_\_\_\_\_

**Dealer Code:** \_\_\_\_\_

Signature: \_\_\_\_\_ Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_ Print Name: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

Please sign and return this Auction Plus Program Participation Agreement and the Limited Power of Attorney form which appears in Exhibit A to:

VCI Remarketing  
 3800 Hamlin Rd.  
 Auburn Hills, MI 48326  
 Attention: Volkswagen Credit Auction Plus Program  
 or

Via Fax to: (847) 573-7412  
 Attention: Volkswagen Credit Auction Plus Program  
 or

Via Scanned e-mail to: [auctionplus@vwcredit.com](mailto:auctionplus@vwcredit.com)

Exhibit A

Limited Power of Attorney Form

Limited Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that [Name of Participating Dealer] ("Participating Dealer") does hereby make, constitute and appoint VW Credit, Inc., doing business as Volkswagen Credit, with offices located at 3800 Hamlin Road, Auburn Hills, Michigan, and its subsidiaries and affiliates, and their respective employees and agents ("VCI"), as Participating Dealer's agent and true and lawful attorney-in-fact with full and complete authority to take any and all actions on behalf of Participating Dealer necessary to perform the VCI provided services contemplated in connection with a VCI sponsored auction sale ("VCI Sponsored Auction Sale") under that certain Auction Plus Program ("Program") Participation Agreement between VCI and Participating Dealer dated \_\_\_\_\_, 20\_\_\_\_ ("Agreement") in order for [Name of Participating Auction] ("Participating Auction") to effectuate the sale, assignment or transfer of ownership to dealers interested in bidding on and purchasing pre-owned Volkswagen and Audi brand vehicles ("Purchasing Dealers") of pre-owned Volkswagen and Audi brand vehicles owned by Participating Dealer identified on an Auction Plus Program Auction Request Form that Participating Dealer may execute from time to time and that are accepted by VCI into the Program ("Program Vehicles") along with any and all other necessary powers, including, without limitation, (i) the power to request a CarFax History Report for Program Vehicles; (ii) the power to advise Participating Auctions of Participating Dealer's election to have Participating Auction perform and charge for either a clean up wash and vacuum or a deluxe detail of Program Vehicles; (iii) the power to include Program Vehicles in VCI sponsored auction sales; (iv) the power to establish and advise Participating Auctions on the sequence of Program Vehicles and VCI owned or managed vehicles at VCI Sponsored Auction Sales; (v) the power to represent Participating Dealer on the block at VCI Sponsored Auction Sales and to accept bids on Program Vehicles within three percent (3%) of the floor price communicated by Participating Dealer to VCI rounded to the nearest \$100.00; (vi) the power to represent Participating Dealer in any arbitration of Program Vehicles, including the approval of further repairs or concessions for a Program Vehicle, or directing a Participating Auction to repurchase a Program Vehicle; and (vii) the power to take any and all other actions necessary or desirable to effectuate the powers granted herein in connection with the Program and any VCI Sponsored Auction Sale.

The authority and powers granted under this Limited Power of Attorney, unless sooner terminated or revoked, shall cease one (1) year from the date of execution as set forth below. This Limited Power of Attorney supersedes any previous authorization granted VCI to act as Participating Dealer's agent and attorney-in-fact in connection with the services provided by VCI under the Agreement.

IN WITNESS WHEREOF, Participating Dealer has caused this Limited Power of Attorney to be executed on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

[Name of Participating Dealer]

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

State of \_\_\_\_\_

County of \_\_\_\_\_

On \_\_\_\_\_, 20\_\_\_\_, before me, \_\_\_\_\_ [Name of Notary], personally appeared \_\_\_\_\_ [Name of Authorized Participating Dealer Representative], personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and, that by his/her signature on the instrument, the entity upon behalf of which he/she acted, executed the instrument.

Witness my hand and official seal.

Signature \_\_\_\_\_

(Seal) My Commission Expires: \_\_\_\_\_

County of Residence: \_\_\_\_\_



**Exhibit B**

VCI Arbitration Guidelines

<b>Dispute Resolution Type</b>	<b>VolkswagenDirect (non-grounded purchases)</b>	<b>Physical Auction: InLane and Online</b>
Timeframe to Arbitrate	14 days from date of purchase	14 days from date of purchase
Undisclosed Aggregate Defects Excess of \$500.00 (Exterior, Interior and Mechanical)	Yes	Yes
Undisclosed Frame Damage	Yes	Yes
Undisclosed Flood Damage	Yes	Yes
Undisclosed PPW (Previous Paint Work) on current model year & newer + one year older	Yes	Yes
Undisclosed inoperative odometers, or undisclosed odometer reading discrepancies (ie: NAM - Not Actual Mileage, TMU - True Mileage Unknown)	Yes	Yes
Undisclosed Theft Recovery	Yes	Yes
Undisclosed Salvage Title	Yes	Yes
Defects that are visible or disclosed at time of sale	No	No
Any vehicle sold "AS IS"	No	No
Items that are considered normal wear and tear (Items are normally outlined in the Owner's Manual for routine maintenance and replacement)	No	No
Failed clutches in manual transmission vehicles	No	No
Any items reported by a vehicle information service. (ie: Carfax, Autocheck)	No	No
Mileage Limit on Arbitration Eligibility	75,000 Miles	75,000 Miles
Purchase Price Minimum to be Eligible for Arbitration	\$3,000.00	\$3,000.00
<b>Policies Regarding Missing Items</b>	<b>VolkswagenDirect (non-grounded purchases only)</b>	<b>Physical Auction: InLane and Online</b>
Missing Key	No	No
Owner's Manual	No	No
Navigation CD	No	No
Cargo Cover	No	No
Headphones	No	No
Electronic Accessory Cables	No	No
Headrests	No	Yes, if disclosed as present at sale
Floor Mats	No	No
Spare Tires	No	No
In Vehicle Tools (ie: Air Compressors, Pumps, Wheel Lock Keys, etc.)	No	No