



GM Minority Dealer Development



BYLAWS, POLICIES AND PROCEDURES

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ARTICLE 1 - PURPOSE

A Group of GM minority dealers, situated in such a way as not to be competitors of each other, hereinafter called the Group, mutually associated to provide a confidential exchange of experiences, problems, solutions, and ideas at regular meetings; and to receive through the firm commissioned by General Motors, (the "Vendor") the benefit of reliable, comparative operating data on a periodic basis, educational materials and services, and other related services.

The success of the Group depends upon consistent attendance at all scheduled meetings. Each Member is obligated to make contributions of ideas and experiences, and having spent considerable time for advance preparation, each such Member deserves and is entitled to receive such information from each and every other Member.

It is expressly not the purpose of the Group to represent Members in any negotiations, demands, representations, or other contact with any manufacturer, supplier or service providers or any of their appointees.

This Group will not conduct its affairs in any way, which might constitute or be construed as an endorsement of special interest groups, associations or commercial enterprises.

Highly detailed and sensitive operational information will likely be shared during Group meetings. Each Member agrees to remain cognizant of the confidential nature of that information and the importance of compliance with the antitrust laws. The mutual purpose of the Members is to enhance the performance of each Group Member's operations through individual decisions and actions of each Member. There are to be no agreements, oral, tacit, or otherwise, by which coordinated or cooperative actions are to be taken, whether in connection with buying or selling either goods or services. Similarly, although vehicle manufacturers (and other vendors) and their practices may be discussed, no concerted or cooperative action, other than expressing Members' views on a particular subject, are to be taken.

There are to be no agreements, oral, tacit, or otherwise, by which coordinated or cooperative actions are to be taken, whether in connection with buying or selling either goods or services that would violate the antitrust laws.

ARTICLE 2 - FREQUENCY OF MEETINGS

Live meetings, organized by GM, will be held twice (2) per year, at approximately 6 month intervals. GM Minority Dealer Development is responsible for notifying dealers of 20 Group live meetings which will be held twice a year. All hotel and meeting room accommodations for the Group Members are arranged by GM Minority Dealer Development.

Groups may elect, by a quorum vote, to meet more than the two times organized by GM. If such an election is made, the Group will meet at their own expense and will be responsible for all meeting costs associated with these meetings.

ARTICLE 3 - EXECUTIVE COMMITTEE

This committee will serve as the steering committee of the Group, will be the liaison between the Group and the Vendor, and will work with the Vendor in the development of prospective Members as discussed elsewhere in these Bylaws. It shall be the responsibility of the committee to assure adherence to and compliance with these Bylaws, policies and procedures. Its authority will include the investigation of, and ruling on, any and all incidents and occurrences which appear to be exceptions to and/or noncompliance with these Bylaws which may arise and/or be brought to its attention by a Member, or by the Vendor's representative.

This committee is comprised of a Chair, a Vice Chair and a GM Dealer Development member to be designated by GM, with staggered terms of office for dealer Members. The Chair shall be elected annually for a twelve month term and may be re-elected. If the Chair is not re-elected or elects to retire, then the Vice Chair will become the Chair, and a new Vice Chair will be selected by the Members. Any Executive Committee Member (except the GM Representative) can be removed from the Executive Committee by a two-thirds vote of all Members present at a regular meeting, provided there is a quorum.

If, in the opinion of any Member, or the Vendor's representative, any action or failure to act constitutes noncompliance with these Bylaws, policies and procedures, or appears detrimental to the Group's purpose and progress, a request for a decision will be submitted to the Executive Committee, in writing, and the Executive Committee will render a decision on the request and proceed with any action the Executive Committee deems advisable before the adjournment of the general Group meeting.

Role of Chair and Vice Chair

The individual elected as Chair will have the following responsibilities:

- Call participants individually to solicit attendance and participation
- Assist in developing agenda, proof agenda before meeting, distribute, and co-lead break-out with Vendor
- Work with Vendor moderator to develop conference call agenda and solicit live attendance at next in-person meeting
- Monitor attendance and submit copy to Vendor and GM MDD representative
- Co-lead discussion with the GM REPRESENTATIVE with respect to Group business issues. This discussion will be the last agenda item for the Group meeting held.

ARTICLE 4 - INFORMATION REPORTING PROCEDURES

Each Member will submit to the Vendor a monthly copy of the current financial statement or the approved reporting form reflecting true operations of the reporting company, which is:

1. Complete
2. Of the Member's reporting company
3. In conformity with the Group's agreed-upon standards
4. Reporting on a calendar-year basis

It is the responsibility of each Member, and not the Vendor, to make any adjustments necessary on the financial statement or the approved reporting form to achieve this conformity.

In order for the composite to be more meaningful and more valuable to the Members, it may include certain statistical data and computations based upon information not available from the standard financial statement. In those cases, the Vendor may provide supplemental information forms which the Member will properly prepare and submit to the Vendor.

To be assured of inclusion in the monthly composite, the Member's financial statement or approved reporting form and any required supplemental information must be received by the Vendor no later than the deadline date provided by the Vendor. Repeated omissions from the monthly composite may constitute grounds for termination of Membership under Article 12 of these Bylaws.

ARTICLE 5 - INFORMATION SECURITY

All information furnished by, to, or about a Member or Member candidate is considered and acknowledged to be of a confidential nature. All of the meeting statistics and monthly composites are coded so that they are identifiable only to Members and authorized persons in attendance at a meeting. No Member will disclose Group statistics or other distributed information to any other dealers, factory personnel (other than General Motors) trade associations, or publications.

ARTICLE 6 - SERVICES PERFORMED BY SELECTED GM VENDOR

Monthly Composites -- From the financial statement or approved reporting form, and any required supplemental information submitted monthly by the Members, the Vendor will prepare a financial composite, comparative as to Member. The Members are ranked across each page according to the significant factor on that particular page. The information presented will be year-to-date monthly, and prior year comparisons. The composites will also be provided electronically by the Vendor.

Meeting Statistics -- From information extracted from the financial statements and/or questionnaires and any required supplemental information, pertinent financial data

and related statistics are prepared to reveal and indicate trends of strength and weakness in certain areas of the Members' dealership operation. These statistics are presented in writing, visually and orally at the meetings by the Vendor representative.

Special Studies -- Quite often, it is important to go to great depth into one aspect or department of company operations, and the Vendor obtains, or develops, special information for distribution among the Members, or for work programs at the meetings.

When performing any of these three services, the Vendor may require additional data. It will be the responsibility of the Members and/or their staff to respond promptly to questionnaires and have the correct data into the Vendor's office by the established deadline so the Member's data is included in the study.

Inter Group Communications -- From time to time, an idea or program generated within a Group, concerning improved or more effective management of a department or aspect of the company, will have application to all Groups. The Vendor may select and distribute such items to other Groups (without disclosing the identity of the source) in order that Members may benefit from the experiences of Members in Groups other than their own. The subject matter of such inter-Group communications will typically exclude advertising and promotional ideas.

Web Support – The Vendor will provide a 24/7 web-based action plan program with timelines, economic values and delegation requirements. Where accountability is established and followed up on.

ARTICLE 7 – MEMBERSHIP/PARTICIPANT EXPLANATION

Membership, as referred to in these Bylaws, will mean the dealer operator or executive manager of the dealer company for which operating data is being included in the monthly composite. These Bylaws do provide for the attendance at meetings by an alternate participant for a dealership, and this person will be the individual so designated by the Executive Committee.

Roster Identification

The roster is the formal document that designates Membership and the affiliated dealer company.

Qualifications

To qualify for participation, a candidate must:

1. Contact the appropriate GM REPRESENTATIVE for consideration.
2. Be willing to prepare in advance and to contribute ideas and experiences for the benefit of the Group at its scheduled meetings.
3. Be willing and able to maintain regular attendance at the scheduled meetings according to Article 9.

4. **Be the Dealer Operator, Executive Manager, or Alternate Participant, as defined below** of the dealer company for which operating data is reported. .

The reporting company should:

1. Be in a market that does not compete with any other Member, and,
2. Be situated in such a location that the Membership of this Group is geographically distributed so as to obtain broad, non-overlapping representation. Members may not be competitors with one another.

Alternate Participant

Persons eligible to be considered for alternate status must meet one of the following guidelines:

- Be a key dealership manager as designated by the dealer who is active in a day-to-day supervisory position with tenure acceptable to the Group including the Member's reporting dealership.
- A prospective alternate must have attended at least (two) 2 regular meetings, then receive the unanimous affirmative vote of the Members present to become a duly-elected alternate participant.

An Alternate Participant has no right to vote or hold any office, however, an Alternate Participant's attendance at a regular meeting, unaccompanied by a Member, does fulfill the attendance requirements of that Member for that particular meeting, provided that the Member attends at least two (2) meetings.

Spouse or Family member

A spouse or legal relative of a dealer operator can attend and, if voted in by the Members, will be considered a Member and eligible for all Member rights, provided such individual is active full time or training full time in the dealership represented in the 20 Group.,

Membership Succession

Membership in the Group is personal and thus is not transferable or inherited. In the event of a change in ownership or active management of the company which a Member is representing, membership in this Group by the new owner or manager must be in compliance with the new Member procedure as outlined in these Bylaws.

ARTICLE 8 - NUMBER OF MEMBERS

The Membership of this Group will not exceed thirty Members.

ARTICLE 9 - ELIGIBILITY FOR MEETING ATTENDANCE

Only the following will be permitted to attend general meetings of the Group:

1. Present Members of the Group
2. Representatives of Vendor
3. General Motors Representatives
4. An approved Alternate Participant, whether or not accompanying the Member.
5. A prospective Member, after complying with the proper procedure as outlined in Article 11.
6. A manager or partner of the Member's reporting dealership, if accompanying a Member or Alternate, provided the Member has obtained the prior approval of the Group at least thirty days in advance of the meeting, and the Vendor has been so notified of such approval.
7. A spouse or legal relative of Member, provided such individual is active full time or in training full time in the dealership represented in the 20 Group in which the Member has a financial interest and with prior approval of the Group.
8. Special guests who have been invited to make a presentation. The special guest will only attend the portion of the meeting in which they make their presentation.
9. An employee of a Member's reporting dealership may accompany that Member or alternate for purposes of assisting the Member or alternate during a presentation previously requested by the agenda committee. This employee will attend only their presentation segment of the meeting.
10. An employee of a Member's reporting dealership may accompany that Member or alternate for purposes of hearing an agenda subject of specific interest to such employee, provided the Member has obtained the prior approval of the Executive Committee chairman. This employee will attend only that portion of the meeting during which the particular agenda subject is discussed.
11. Any special guest previously approved by the Executive Committee to attend a specific portion of a meeting.

In the case of 6, 7, or 11, it is the responsibility of the Executive Committee Chair to keep the representative of the Vendor informed of the Committee's decision.

ARTICLE 10 - REQUIRED ATTENDANCE AT MEETINGS

The success of the Group depends upon consistent attendance at all scheduled meetings.

There will be occasions when a Member or the Member's Alternate Participant cannot attend a meeting. In the event that a dealership is not represented by a Member or an Alternate Participant at half of the live meetings in a 24 month period, that Member's Membership status is in jeopardy. The Member's attendance record, together with the circumstances causing the absences, will be reviewed by the Executive Committee, and their recommended action will be put to a vote by the Members in attendance (excluding Alternate Participants). This vote will take place at the end of the meeting which marks the Member's absence for half of the live meetings in a 24 month period, or at a subsequent live meeting. If the Membership recommends termination of the Member's membership by a two-thirds majority vote, it will be recorded and forwarded to the GM Minority Dealer Development (MDD) Director for potential reassessment. The GM MDD Director will inform the appropriate GM Representative of the final decision, who will first advise the Member of the decision, and then advise the Group's Executive Committee. Membership will be advised at the next Group meeting.

Membership is automatically terminated if a Member or the Member's Alternate Participant fails to attend three consecutive meetings. Waiver of this provision can be made only by a two-thirds vote of the Members at a meeting. Group Chair must notify the GM MDD Director and Vendor, in writing, of any dealer termination from Group.

GM Minority Dealer Development Dealers wishing to re-enroll should contact the GM MDD Director.

The GM MDD Director will forward the request the 20 Group Chair. The request will be considered under Article 11 'New Member Procedure'. The Executive Committee will review this information with the group members electronically. If there are no objections to adding the member candidate, then the prospect will be added to the group composite.

Occasionally, a Member may also be a Member of a manufacturer National Dealer Council, or an officer of the National Automobile Dealers Association (NADA). Should a Member be required to attend a meeting of either organization where meeting dates conflict with the dates of a scheduled meeting of this Group, the absence will not be counted, provided that proper advance written notification is made to the Executive Committee Chair.

Should the occasion arise when a Member is unable to attend any part of the meeting, or a social activity, the Member will so advise the Vendor and the Meeting Chair by letter, fax or e-mail as soon as the Member is aware. This permits proper advance planning of agenda and scheduled activities.

The absent Member is responsible for providing the Meeting Chair those materials, documents and assignments as requested in the meeting agenda.

ARTICLE 11 - NEW MEMBER PROCEDURE

All Members along with General Motors Dealer Development (GM MDD) will search for prospects in the Minority Dealer Development portfolio. GM will coordinate the recruiting efforts.

The GM Representative will contact the prospect to ascertain the prospect's initial interest. If the prospect is interested, then GM MDD will contact the prospect, giving more background information on the Group, and review specific financial statements or information.

GM MDD will review prospect information with the Group Executive Committee, and the Group Executive Committee will review this information with Group Members, electronically. If there are no objections to adding the Member Candidate, then the prospect will be added to the Group Composite. GM MDD will invite the prospect as a Member Candidate to the next meeting however, Member Candidate is not obligated to follow through with the Membership. The Member Candidate will be expected to pay all personal and travel expenses to attend the session.

No Member will invite a prospect, but will refer the prospect's name and qualifications to the appropriate GM Representative.

The Member Candidate will advise the GM MDD Representative at the end of the business session on the final day whether or not they would like to remain a Member of the Group or audit another. Notification of the Member Candidate's decision to participate in the Group will be completed by the GM Representative to the Group Executive Committee at a later date, but before the next Group session or conference call. Prospects declining Membership must return all information previously provided about the Group or Group Members.

ARTICLE 12 - TERMINATION OF MEMBERSHIP

Voluntary Termination -- A Member may terminate such Member's Membership in the Group at any time by notifying the GM Representative, in writing, of the desire to do so. **Termination will become effective at the close of the calendar quarter during which such notice was received by General Motors Dealer Development.**

ARTICLE 13 - QUORUM FOR VOTING

A quorum of the Membership for the transaction of business at any meeting of the Group will exist if two-thirds of the Members are present, and on any matters requiring a vote, only a Member is eligible to vote. Unless otherwise specified in these By-laws, a majority of the quorum is required for any decision or action. A Member, regardless of the number of dealerships represented in the 20 Group, is only allowed one vote.

ARTICLE 14 - AMENDMENTS

Amendments to these Bylaws may be proposed at any regularly-scheduled meeting of the Group by a majority vote of the Members (not including Alternate Participants) present at that meeting provided there is a quorum of Members.

The proposed amendment will be submitted in writing by the GM Representative to the GM MDD Director for review and approval. If approved by the 20 Group sub-committee of the MDAC and GM MDD Director, the amendment will be adopted into the bylaws for all groups participating in the Dealer Development 20 Groups. The 20 Group sub-committee will advise each respective Group Chair, and the Group Chair, along with the GM Representative will be responsible for informing each respective group of the amendment to the Bylaws. If the proposed amendment is rejected by the 20 Group sub-committee and/or the GM MDD Director, the 20 Group sub-committee and/or the GM MDD Director will inform the appropriate Group Chair so that it may be discussed at the next 20 Group meeting.

ARTICLE 15- MEETING GROUP NORMS

All 20 Group participants should adhere to the following Group norms;

- Meetings begin on time
- Mobile phones/beepers are silenced
- Treat everyone with respect
- Listen “openly” to others and provide encouragement
- Contribute, everyone has an obligation to provide input
- Help and ask for help
- Explore new ideas; be open to change
- Be involved and attend all live meetings open to constructive criticism
- Expect to be challenged