

Policies and Procedures

Both General Motors and the selling auction make every effort to represent and disclose vehicle information accurately. This includes identifying each vehicle classification listed in the Dealer Handout as described below:

1. **Company Vehicle** — A unit used by GM or its subsidiaries for business, test, or demonstration purposes. This includes Damaged-in-Transit which are new vehicles that are damaged during transportation, repurchased by GM, repaired, and sold through GM Sponsored Auctions.
2. **Customer Dissatisfaction Buyback Vehicle - (RVDC)** — A unit repurchased by GM or its subsidiaries as a result of a dissatisfied customer.
3. **GM Employee Owned Vehicle** — A unit personally owned by a GM employee.
4. **GMAC Repo** — A unit repossessed by GMAC generally for reasons of non-payment of a retail contract obligation.
5. **GMAC SmartBuy** — A unit returned to GMAC under the terms of a retail balloon note finance contract.
6. **Off-Lease Vehicle** — A unit previously leased by GMAC to a Company or Individual.
7. **Rental Vehicle** — A unit sold or leased to a rental Company and repurchased by or returned to GM or its subsidiaries under a defined program.
8. **Special Vehicle** — As designated by GM Remarketing.

An error or omission in the Dealer Handout or other material provided to dealer does not constitute grounds for rejecting the vehicle after the sale.

GM reserves the right to cancel a sale (even on the day of the sale), to delay the start of a sale, to reduce the quantity of vehicles offered at a sale and to reject any bid.

1.1 - Eligible Purchasers

Only GM dealers and their authorized representatives, located in the United States and US possessions, The Commonwealth of Puerto Rico, or those overseas dealers approved by GM in writing are eligible to participate in and purchase vehicles from GM Sponsored Auctions and GMAC SmartAuction (Closed Sales) in the United States. GM Dealers located outside the U.S. (Canada, Mexico, etc.) are not eligible to participate in or purchase vehicles at these venues. This policy governing a purchaser's eligibility does not apply when purchasing vehicles from GMAC Open Sales or GMAC SmartAuction-Open.

It's also important to remember that specific types of vehicles (Company, FrontLine Ready, and Customer Dissatisfaction Buybacks) purchased from these venues have a mandatory "Holding Period". Dealers that violate these policies and procedures are subject to having their purchasing privileges suspended

Persons other than the Dealer Operator or General Manager must be authorized in writing as changes occur by the Dealer Operator, General Manager or any responsible officer to represent the Dealership, and this written authorization must be on file with the auction or "Auction Access." An individual may not represent more than three dealerships at a GM Sponsored Auction. One or more of the dealership(s) represented can be changed during a sale, provided no vehicles were purchased for the dealership(s) that is being eliminated. Also, a maximum of three individuals may represent one dealership at a sale.

Owners of multiple dealerships may represent up to seven of their dealerships. Vehicles bought by owners at auction in this manner may be sold and shipped to any of the dealerships franchised for that particular vehicle line provided each dealership complies with any applicable holding period requirements. Dealers will only be

permitted to purchase current year model vehicles for which they are authorized dealers and any other vehicles specifically designated by GM Remarketing.

Under most circumstances are guests allowed in the selling lanes of a GM Sponsored Auction. All approved guests must have a guest tag visible.

1.2 - Crossline Purchase

Crossline buying information will be communicated to the GM dealer body by the GM Remarketing Staff. Employee-Owned, GMAC Off-Lease, GMAC SmartBuy, GMAC Repos, and titled Oldsmobiles can be crossline purchased at any time.

1.3 - Manufacturer's Suggested Retail Price (MSRP)

The price in the dealer handout is MSRP including destination.

1.4 - Resale Requirements for Company, Customer Dissatisfaction Buyback, and GM FrontLine Ready Vehicles

Dealer agrees to use these vehicles to enhance its selling and leasing efforts in its Area of Primary Responsibility and to sell or lease the vehicles to retail customers from the dealership's GM-approved Dealership Location as defined in its Dealer Sales and Service Agreement. Failure to comply with the requirements of GM Remarketing, in its sole discretion, might result in the suspension of the Dealer's/Buyer's privilege to participate in GM Sponsored Auctions.

1.5 - Holding Period for Company, Customer Dissatisfaction Buyback, Damaged in Transit and GM FrontLine Ready Vehicles *purchased at GM Sponsored Auctions (Closed Sale) and GMAC SmartAuction.*

Only Company, Damaged-in-Transit, Customer Dissatisfaction Buybacks, and GM FrontLine Ready vehicles are subject to the 45 day holding period requirement. In the event a dealer has not been able to sell any vehicle purchased at a GM Sponsored Auction/GMAC SmartAuction after 45 days from the date of purchase, the dealer may offer the vehicle for sale at a GM Dealer Tailgate Sale following a regularly scheduled GM Sponsored Auction. Customer Dissatisfaction Buybacks that the dealer is unable to sell after a holding period of 45 days can only be offered at a GM Dealer Tailgate Sale.

It is also the responsibility of the purchasing GM dealer to verify the "Open Campaign" status of each vehicle purchased at GM Sponsored Auctions (either at a physical auction or on the Internet) via VISS. All vehicles with "Open Campaigns" are to be completed by the purchasing dealer prior to selling to a subsequent buyer.

1.6 - Dealer Audits

By participating in a GM Sponsored Auction, Dealers authorize GM Remarketing and its representatives to examine, reproduce and take copies of dealer records related to the purchase of vehicles at GM Sponsored Auctions, and the sale or lease of such vehicles. Such examinations will only be conducted during regular

business hours and upon written notice to dealer. Failure of Dealer to comply with such a request will result in the suspension of Dealer's privilege to participate in GM Sponsored Auctions.

1.7 - Disclaimer or Warranty and Purchaser's Inspection and Responsibility

All vehicles are sold "AS IS"; except for any unexpired warranty coverage under a GM new car limited warranty. All warranty claims are to be handled in the normal manner through the nameplate vehicle division.

It is the buyer's responsibility to visually inspect each vehicle prior to purchase. Missing equipment and accessories, paint and metal problems or visible damage will not be arbitrated after a vehicle is purchased. Damaged windshields are not eligible for arbitration. Post sale price adjustments will not be made.

A thorough inspection for hidden damage is required immediately upon receipt of any vehicle at the Dealership Location. GM is not responsible for any major non-visible damage in the engine, transmission, rear axle, structure or frame or unreported major collision damage requiring underbody inspection, unless reported to the selling auction location in writing within seven days of sale. Only vehicles with undisclosed hidden damage that compromises the integrity of the vehicle are eligible for repurchase from dealers. Minor damage not repaired on the following components will not be arbitrated:

- Floor panel/trunk floor
- Center section sub rails
- Outer rocker panels/pinch welds
- Strut towers
- Frame rails/rail extensions
- Sub frame assemblies and tie down holes.

Cosmetic repairs of 1 1/2 hours or less on the following components will not be grounds for arbitration:

- Frame rails/rail extensions
- Apron/upper reinforcement
- Cowl panel
- Center section sub-rails
- Hinge/windshield "A" pillar and center/"B" pillar.

Minor repaired or unrepaired damage or replacement of the following components is acceptable:

- Upper/lower tie bar
- Center support
- Left/right side baffles
- Frame rail extensions
- Engine sub frames
- Outer rocker panel
- Rear body panel
- Quarter panel (proper sectioning is acceptable)
- Roof (repair only, no replacement, no repair to the roof rails.)

If GM Remarketing agrees to repurchase a vehicle, the dealer will be reimbursed only for the purchase price, buyer's fee, and reasonable transportation costs. Post sale price adjustments will not be made.

GM FrontLine Ready Vehicles. Questions or concerns regarding these vehicles should be addressed by calling the GM FrontLine Ready Manager at 313-665-1027 or faxing the information to 1-313-667-9393. All individual GM FrontLine Ready vehicle concerns are to be initiated by the appropriate purchasing dealership employee (i.e., service manager, used car manager, general manager, dealer principal, etc.) within 10 business days of purchase.

Additional documentation may be required to verify the purchase or condition of any vehicle in question. Any costs associated on work performed by the purchasing dealer prior to any authorized repair approval from GM Remarketing are not subject to remuneration by GM Remarketing. Only items found to be below GM FrontLine Ready standards are subject to repair at the sole discretion of GM Remarketing, with prior GM Remarketing approval.

1.8 - Payment for Vehicles

A dealer must pay for purchased vehicles at the conclusion of the sale. Vehicles can be financed through GMAC at the same wholesale financing rate applicable to new vehicles, provided the purchasing dealer has obtained the prior approval of their local GMAC Branch Office. Vehicles can also be paid for with a dealer check, dealer's financial institution check, by wire transfer of funds from an account maintained in the name of the GM dealership or from its financing institution or by bank draft or automatic clearing house (ACH) debit or credit.

Post sale price adjustments will not be made.

1.9 - Customer and Dealer Incentives

Unless otherwise announced, vehicles purchased at GM Sponsored Auctions are not eligible for customer or dealer incentives.

1.10 - State Law Requirements

State laws may impose disclosure requirements and other restrictions on dealers in connection with their resale of vehicles purchased at GM Sponsored Auctions. The dealer is responsible for complying with all such state law requirements, including without limitation, those concerning licensing, title, disclosures and notices to retail purchasers or state agencies.

1.11 - Emissions Regulations

It is the dealer's responsibility to check and conform to applicable Local, State and Federal laws and regulations, some of which carry civil penalties for non-compliance.

1.12 - Manufacturer's Certificate or Statement of Origin (MCO or MSO)

Unless otherwise announced, vehicles sold on MCO or MSO will only be sold to a GM Dealer holding the franchise, regardless of model year or mileage. Unless otherwise announced, vehicles with on MCO or MSO are not eligible for customer or dealer incentives.

1.13 - Customer Dissatisfaction Buybacks - (RVDC)

A 12 Month/12,000 Mile Limited Warranty may be provided on vehicles repurchased by General Motors to enhance customer satisfaction. Contact the appropriate Regional office for details.

1.14 - Dealer Violations

During the past several months, the GM Remarketing Sales Team has fielded inquiries relating to suspected dealer violations of General Motors' Sponsored Auction Policies and Procedures. In order to aid our dealers and GM Field Staff in reporting these suspected violations, the following procedures have been developed:

- Forward an e-mail detailing your concern or complaint to GM Remarketing (dave.ransom@gm.com).
- Provide a list of Vehicle Identification Numbers (VIN) associated with the concern/complaint (attach to your e-mail). Please note that we're unable to determine the validity of complaints unless VINs are supplied.
- If your concern deals with vehicles being wholesaled prior to the expiration of the 45 day "Holding Periods", it's important to note that only Company, including Damaged-In-Transit, GM FrontLine Ready, and Customer Dissatisfaction Buybacks have a required "45 Day Holding" period. For further details associated with this policy, please visit gmonlineauctions.com, click on Learn More, and click on Policies and Procedures (section 1.5).
- For additional questions or concerns please contact:
Dave Ransom
GM Remarketing
100 Renaissance Center
MC 482-A19-B36
Detroit, MI 48265-1000
dave.ransom@gm.com
313.665.1433
- Your concern will be investigated and a response will be supplied with our findings.

In addition, and based on input from General Motors' National Dealer Council members, GM Remarketing has revised the "Dealer Suspension Period" for violating the "45 Day Holding Period". The revised penalties are effective July 1, 2007 and will apply to violations that occur on or after that date. Violations occurring prior to July 1, 2007 are subject to current suspension periods. The revised penalties are as followed:

- 1st Violation - Warning Letter plus a 12 month probationary period;
- 2nd Violation - 90 Day "Suspension of GM Sponsored Auction privileges" if 2nd violation occurs within the 12 month probationary period;
- 3rd Violation - 180 Day "Suspension of GM Sponsored Auction privileges" if 3rd violation occurs within 12 months after the 2nd violation's "suspension of auction privileges".