



Colorado Elite Business Development Group By-Laws

Article I - Objective

Section 1: To further promote the image of the NAPA AutoCare Center and its members as an affiliation of quality auto care professionals, and marketing the NAPA AutoCare Program and its members to our best ability.

Article II - Eligibility

Section 1: Each individual, firm or corporation is eligible for membership in the local NAPA AutoCare Business Development Group upon qualifying for the National NAPA AutoCare Program where a local Group has been established. All applicants for NAPA AutoCare Business Development Group shall agree as a condition of consideration of their enrollment and continued NAPA AutoCare Program membership to abide by these NAPA AutoCare Business Development Group By-Laws, and all policies, procedures, rules and regulations of the National NAPA AutoCare Program. Any Business Development Group member must first become a member of the NAPA AutoCare Program and own a shop within the program, with the exception of a Supporting Member. Any current Business Development Group member can sponsor an individual or business entity who is not, and who does not meet the criteria to become, a member of the NAPA AutoCare Program, to admit as a Supporting Member of the Business Development Group. Any sponsoring member shall submit details of the proposed Supporting Member to the Steering Committee and NAPA who together shall determine by majority vote whether to admit the proposed Supporting Member into the Business Development Group. Any Supporting Member shall have such rights, privileges and responsibilities as all other members, subject to such exceptions as detailed below.

Section 2: *Membership Rights*: Each member shall have such rights, privileges and responsibilities as are consistent with the National NAPA AutoCare Program and the NAPA AutoCare Business Development Group By-Laws of the group.

Section 3: *Dissolution of Membership by Majority Vote*: Each member shall have the right to inform the Chairperson or appointed board members of any other member alleged to have misused any information and/or not adhered to the objectives, guidelines, policies, procedures, rules and regulations of the National NAPA AutoCare Program or the NAPA AutoCare Business Development Group By-Laws. Upon written notice by the informing member, the Chairperson shall investigate the allegation(s) made to determine if that member has violated any regulations and, if so determined, shall move to a majority vote for an immediate dissolution of that member's

Business Development Group membership. If membership has been dissolved by majority vote, the ex-member shall immediately be removed from the Business Development Group's member roster and communication lists. No future fees (dues) shall be payable as of the effective date of dissolution and paid fees are not subject to pro rata refund in the event of partial monthly membership.

Section 4: *Resignation of Membership by Member*: Each member shall have the right to resign their membership of the Business Development Group. Any member desiring to resign shall provide 30 days' written notice to the Chairperson of the Business Development Group or member's NAPA Representative. Upon written notice received by the Chairperson or member's NAPA Representative, the member shall be removed from the Business Development Group's member roster and communication lists. Monthly membership dues shall remain payable during the 30-day notice period and are not subject to pro rata refund in the event of partial monthly membership.

Article III - Fees (Dues)

Section 1: Group Budget fees (dues) are established by the local group Steering Committee by majority vote. These fees (dues) shall be payable on a monthly basis and all Group funds shall be deposited into the Group Bank account fund. These funds will be controlled by NAPA Auto Parts and will be billed monthly on a member's NAPA Statement. In the case a member chooses to pay those fees (dues) in any other form such as cash, that member is responsible for paying those monthly fees (dues) themselves. NAPA Auto Parts will hold all fees in an account with full disclosure to the Chairperson and Treasurer at any time upon request.

Section 2: *Payment Commitment*: Members are committed to pay their monthly budget fees (dues) on a 12-month basis, subject to Article II Sections 3 and 4 above. Membership calendar runs from February 1st of the current year to January 31st of the following year (the "Membership Term"). If a member gains membership in a month other than February, those fees (dues) will be owed from the month membership starts in the Business Development Group. Members are committed to pay membership dues when invoiced, and dues are subject to the same payment terms and conditions, including finance charges for delinquent fees, as the member's NAPA Statement or NAPA Auto Parts supplier statement. NAPA Auto Parts will provide the Chairperson and Treasurer with a monthly update of membership dues invoiced, paid and/or delinquent. Any member with payment of their membership fees delinquent over 120 days shall be considered in breach of these AutoCare Business Development Group By-Laws and said member's membership eligibility can be subject to review under Article II Section 3 above.

Section 3: *Multiple Ownerships*: In the event that a member owns multiple locations, the set fees (dues) are expected from each membership location. Requests for any exceptions to Section 3 of this Article must be submitted to the Chairperson in writing and will move to a majority vote to determine if the member will be exempt from fees (dues) for multiple locations owned. This exception will be determined on a case by case basis.

Section 4: *Allocation of Funds*: Fees (dues) will be controlled by NAPA Auto Parts as stated in Article III, Section 1. Collected membership fees (dues) will be allocated to two distinct areas: a

portion allocated towards reimbursement of members' future AutoCare Annual dues (held in escrow until annual disbursement), and remaining portion allocated towards Business Development Group General Funds. The portion allocated to future AutoCare Annual dues reflects the full amount of AutoCare annual membership as determined by NAPA, divided into twelve (12) monthly amounts. Collected membership fees from NAPA and Supporting Members will be allocated in their entirety to the General Fund. Allocation of General Funds will be authorized with a written request from the Chairperson and/or Treasurer of the group. All decisions of General Fund allocations will be made by vote by the Steering Committee, and group members shall have full disclosure of those funds at any time.

Section 5: AutoCare Dues Reimbursement: A benefit of membership of the Business Development Group is that any member that joins the NAPA AutoCare Center Program and is a current member of the Business Development Group has the right to use a portion of their accrued Business Development Group funds for reimbursement of his/her AutoCare Annual dues. NAPA AutoCare Dues renew every February and are payable in advance for a 12-month period. Any shop owner of the BDG must be a member for a full 12-month term (February through January) before they are eligible for full reimbursement of their AutoCare annual dues. In the event that membership is gained mid-Term, the amount of reimbursement will be prorated to the number of months that membership dues have been paid during that Membership Term. A member must be current with payment of their membership dues for that Membership Term to receive any reimbursement of their AutoCare annual dues. Should any monthly dues become delinquent, a member must make any outstanding payments in full prior to the end of the Membership Term before full reimbursement (or prorated, if membership is gained mid-Term) of their AutoCare annual dues can be processed. Any member who has provided written notice of resignation under Article II Section 4 above, or had their membership dissolved under Article II Section 3 above, shall forfeit any and all rights and benefits provided by the Business Development Group, including their right to reimbursement of AutoCare annual dues either in full or prorated. Any forfeited AutoCare annual dues shall be allocated to the Business Development Group General Fund. Fees collected from NAPA and Supporting Members are not subject to reimbursement of AutoCare Annual dues.

Article IV-Group

Section 1: Purpose: The Group's Purpose shall be to assist in the Business Development of each Group member and the adoption of the National NAPA AutoCare Programs. Each Group member will be responsible for working with one another to achieve the common goals that the Group members define and direct.

Section 2: Group Organization: The Group shall be made up of all NAPA AutoCare Center members for a given market area as defined by the members desiring to form a local group. The Group can include mechanical, collision or truck members as defined in the National NAPA AutoCare Program. Collision and Truck members will not be required to join an established mechanical group if the collision and /or truck member(s) desire to either form their own specific collision and/ or truck Group in the area to promote their core business or determine that the current mechanical group may not be representative of the collision and / or truck business.

Section 3: *Group Meetings*: The Group shall meet on a regular basis either monthly, every other month or quarterly as determined by the group members. All NAPA AutoCare Program Members associated with the Group are welcome to attend and participate. Minutes will be taken and distributed to all Group members within a reasonable amount of time as determined by the Group members

Article V – Areas of Responsibilities:

Section 1: *Appointees*: The Group shall appoint members of the Group’s Steering Committee from within its membership. Steering Committee appointees will hold various areas of responsibilities as defined by Job Descriptions determined and reviewed by the Steering Committee. At minimum, these appointments shall include a Chairperson and 2nd Chairperson. Depending on the number of members within the Group, additional appointments can be made and can include a Treasurer, Meeting Coordinator, Communications Coordinator, Training Coordinator, EOS coordinator and Event Coordinator. No individual from any independently owned or Company-Owned NAPA Store, NAPA Distribution Center, NAPA District or NAPA Headquarters may be appointed by the group to serve in any capacity on behalf of the Steering Committee.

Section 2: *NAPA Involvement*: As stated in Article V, Section 1, no individual from NAPA Auto Parts in any capacity can hold a position within the Steering Committee. NAPA shall have the same rights as a member as they will pay fees (dues) like any member and will serve in an advisory role. NAPA Auto Parts shall have veto power, rights to amend Articles and/or sections of these By-Laws in conjunction with the Chairperson of the Steering Committee. NAPA’s role is to ensure that the Group upholds all guidelines, policies, procedures and rules and regulations as stated in the National NAPA AutoCare Program. NAPA shall have the right to remove a member from the NAPA AutoCare Center Program if such policies, procedures and regulations are not met. In this event, the BDG member will forfeit Group membership and shall be subject to the membership dissolution provisions of Article II Section 3.

Section 3: *Term of Service*: Any member that has been appointed to a position within the Steering Committee can only hold that position for a period of a 2-year term. The term shall run from October 1st through September 30th. Prior to the end of that 2-year term, nominations will be collected and voting held to appoint another member(s) into that position(s). Any member currently or previously holding a position for a 2-year term shall have the right to serve in another position within the Steering Committee, as decided by vote of the Group membership. No member can hold the same position for a continuous term after the first 2-year term has finished. For purposes of continuity, it is the intent of the Group that the 2nd Chairperson succeeds the current Chairperson for the following term. In the event that the 2nd Chairperson is unable or unwilling to serve as Chairperson in the succeeding term, a new Chairperson can be nominated from among currently-serving Steering Committee members and appointment made by vote of the Group membership. A new Chairperson can also be nominated from Group members not currently appointed to the Steering Committee, with consent from NAPA District Manager, and appointment made by vote of the Group membership. Any Group member not currently serving on the Steering Committee who wishes to nominate themselves or another Group member for position of Chairperson shall make their desire for consideration known to NAPA District Manager and

Steering Committee no later than six (6) months prior to the end of the current Chairperson's 2-year term.

Section 4: *Steering Committee*: The Steering Committee shall be comprised of all appointed members of the Group, to include but not be limited to the Chairperson, 2nd Chairperson, Communications Coordinator and the Treasurer, and shall meet on a more frequent basis based upon current Group projects at hand. An Annual Meeting of the Steering Committee shall be held each September, with each second Annual Meeting to include voting by the Committee on nominations for the succeeding Steering Committee. Minutes of all Steering Committee meetings should be taken and reviewed during the next scheduled Group meeting.

Section 5: *Steering Committee / Appointee Resignation or Removal*: An appointed Steering Committee member may resign at any time by giving written notice to the Steering Committee. Such resignation shall take effect at the time specified therein. If an appointed Steering Committee member is declared unable or unwilling to perform his or her appointed responsibilities in a satisfactory manner, the Steering Committee members shall have the authority to motion a removal of that appointed Steering Committee member during a scheduled Group meeting. The said appointed Steering Committee member shall be removed from their area of responsibility by a two-thirds majority vote of the entire Group, subject to Article VI Section 3 below.

Article VI – Voting

Section 1: Each Group member shall have one vote for any motioned Group issue during any regularly scheduled group meeting.

Section 2: Any issue motioned to a vote by the Group, other than the removal of an appointed member, shall be carried with a simple majority Group vote, subject to Article VI Section 3 below.

Section 3: For voting purposes, a minimum of 50% of the total Group membership must participate in any motioned Group issue vote during regularly scheduled Group meetings in order to validly constitute the voting Group membership. Voting can be made by way of verbal or written response to include email and electronic polling. If by method other than verbal response, the type of voting to be used must be specified at the time any motioned Group issue is put forward for vote, to include the deadline by which a vote is required for it to be valid. Where 50% of the total Group membership does not vote in any issue motioned to a vote, or where two thirds of the total Group membership do not participate in any vote to remove an appointed member from the Steering Committee (Article V Section 5 above), the NAPA District Manager must approve and ratify any majority decision made by the voting Group membership.

Section 4: The Group Budget for each year will be determined by a majority vote by the Group members during the first regularly scheduled Group meeting after the beginning of each Membership Term.

Section 5: The Steering Committee shall have authority to adjust the current fiscal year's budget by the surplus or deficit of the previous year's budget of five percent (5%) of the current year's

budget without a Group vote during a regularly scheduled Group meeting as deemed necessary by the Steering Committee.

Article VII - By-Laws

Section 1: These NAPA AutoCare Business Development Group By-Laws shall be reviewed by the Steering Committee on an annual basis. Any proposed amendments following such review will be presented to Group Members at the first regularly scheduled Group meeting of the new Membership Term. Proposed amendments agreed by majority vote of Group Members will be incorporated into these By-Laws effective as at the beginning of that Membership Term. The Group cannot amend these By-Laws without approval by NAPA AutoParts, and all requests must be submitted in writing. The exception to this Article is if the Steering Committee and NAPA Auto Parts together deem that a change must be made for the best interest of the entire group, and both parties are in agreement with a majority vote.

Article VIII - Dispute Resolution

Section 1: Any member of the Group shall have the right to file a dispute with another member that they allege has not adhered to the guidelines, policies, procedures, rules and regulations of the National NAPA AutoCare Center Program, the NAPA AutoCare Code of Ethics or the Business Development Group By-Laws. The member that wishes to file a dispute must file, in written form, the allegation to the Chairperson of the Business Development Group. The Chairperson shall investigate the complaint to establish the wrongdoing or truth of the allegation(s). NAPA Auto Parts representative, as an advisory role, will assist when needed in any investigation. The member has the right to respond to any allegation(s) raised against them and to address any inquiry made of them by the Chairperson or NAPA Auto Parts representative to determine or dispute the validity of any allegation.

Section 2: In the event that the Chairperson finds the allegation is valid, a vote must be taken by the members to determine the proper consequences for the member against whom the complaint was filed. NAPA Auto Parts shall have right to determine if the appropriate action was taken by the Steering Committee and/or to assist in administering the next step of action. If the decision is made to dissolve membership, that member shall be subject to the membership dissolution provisions of Article II Section 3.

Article IX - Group Dissolution

Section 1: Should the Group decide by majority vote to dissolve the Business Development Group, a final accounting of all money within the Group Budget and all outstanding bills and obligations will take place under the supervision of the Secretary-Treasurer and NAPA Auto Parts. After a predetermined amount of time after all Group debt has been satisfied, all money remaining within the Group budget will be returned back to individual group members in equal shares, prorated according to the number of months of each member's paid dues in the current Membership Term. Once this step is complete, the Chairperson will submit notification to NAPA Headquarters that the group has been dissolved.

Article X - NAPA AutoCare Code of Ethics

Section 1: Every member agrees to:

- Be dedicated to customer satisfaction
- Maintain the highest standards of the repair service profession
- Uphold the integrity of all members of the NAPA AutoCare Program
- Exercise reasonable care for the customer's property while it is in the shop's possession
- Provide a system for fair settlement of customer complaints, should they occur
- Obtain prior authorization and provide a price estimate for work to be performed
- Perform high-quality diagnostic and repair service at a fair price, using quality NAPA Auto Parts.