

BYLAWS OF THE AUDI CLUB NORTH AMERICA, NORTH ATLANTIC CHAPTER, INC.

Article I. Name

1.1 Name. The name of the organization shall be the Audi Club North America, North Atlantic Chapter, Inc., doing business as the North Atlantic Audi Club (“NAAC”). The registered office of this organization shall be located and the records of this organization shall be kept at such place as shall be determined from time to time by the Board of Directors.

1.2 Territory. The geographic region of the NAAC shall encompass the following four states: Maine, Massachusetts, New Hampshire and Rhode Island. The geographic region of the NAAC may from time to time be specifically defined by the ACNA, after which time any ACNA member not included within the geographic region of the NAAC as defined herein may apply to the NAAC Board of Directors for foreign membership.

1.3 Definitions. An “Audi” automobile is defined as an automobile manufactured by Audi AG or its successor(s).

Article II. Powers and Purpose

2.1 Powers. The NAAC is organized as a not-for-profit domestic corporation organized and governed by Chapter 292 of the New Hampshire Revised Statutes Annotated, and shall be entitled to all benefits, rights and privileges associated therewith in the transaction of all business necessary to further the general objectives of the NAAC, as set forth both herein and in the Charter of the Audi Club North America (hereinafter “ACNA”). The NAAC subscribes to the general objectives of the ACNA and will abide by the Bylaws of the ACNA and comply with the all requirements pertaining to a 501(c)3 organization as determined by the Internal Revenue Service.

2.2 Purpose. Insofar as permitted to corporations under Chapter 292 of the New Hampshire Revised Statutes Annotated, without profit, the purpose of the NAAC shall be to enhance the Audi ownership experience for our members by teaching driver/safety education and providing technical care/maintenance tips, product information, parts discounts, free classified ads for members and to provide camaraderie through regional/national activities and events.

2.3 Adoption by Reference. Adopted by reference herein are the Articles of Agreement of the NAAC, the Bylaws of the ACNA, and the ACNA Standards of Business and Professional Conduct and Code of Ethics.

Article III. Membership, Dues and Duties

3.1 Eligibility. Membership shall be restricted to ACNA members in good standing and whose principal residence is within the geographic region of the NAAC. Reference herein to the term “member” is intended to apply to all classes of NAAC membership.

3.2 Organization Dues. In addition to membership dues set by the ACNA, the Board of Directors may establish and assess annual NAAC membership dues in an amount to be determined from time to time and for the purpose of defraying costs directly associated with providing services to members.

3.3 Membership Classification. There shall be four general classes of membership in the NAAC: Active, Family, Associate and Foreign membership. Additional classes of membership in the NAAC shall include those classifications as defined by the ACNA.

a. Active Members. Active membership shall be restricted to owners, lessees, or co-owners of Audi automobiles. If an active member sells or transfers in full their ownership of their Audi, he or she shall become an Associate member. Active members must reside within the NAAC territory.

b. Family Members. An active member may request of the ACNA that a member of his or her immediate family, aged 18 years or older, be designated as a family member at the time of joining the ACNA. The family member’s principal residence must be that of the active member so naming the family member. Family members shall not designate a family member. Family members must reside within the NAAC territory.

c. Associate Members. A person, aged 18 years or older, who is neither an owner, co-owner nor lessee of an Audi, but maintains an interest in Audi automobiles. Associate members may also be family members. Associate members shall not designate a family member. Associate members must reside within the NAAC territory.

d. Foreign Members. Any member affected by Article I(1.2) or person who is a member of the ACNA but does not necessarily live within the NAAC territory whom the

Board of Directors has accepted and approved by a majority vote a written application for foreign membership. Foreign members shall not have voting privileges.

3.4 Membership Year. The membership year shall run concurrent with the membership year of the ACNA.

3.5 Privileges and Voting Rights. All members in good standing shall be entitled to all privileges of the organization. All Active, Associate, and Family members may exercise voting rights at the annual membership meeting. Foreign members shall be entitled to all privileges of the organization but shall not be entitled to vote or hold elective office. The Secretary shall cause to be delivered to Active and Family members a written ballot to elect members to the Board of Directors per Article VIII.

3.6 Resignation. Any member may resign by filing a written resignation with the Secretary, but such resignation shall not relieve the member so resigning of the obligation to pay dues, assessments, or other charges accrued and unpaid.

3.7 Member Discipline. Any member may be disciplined for cause after an appropriate hearing and by an affirmative vote of two-thirds (2/3) majority of all members of the Board of Directors.

a. Acts subject to discipline.

1. Conduct at a driving or other event deemed not appropriate by the event master;
2. Refusal or failure to pay any applicable event fee;
3. Infraction of any NAAC rule or rule of the ACNA;
4. Action adverse to the general objectives or best interests of the NAAC; OR
5. Suspension or expulsion from the ACNA.

b. Form of Discipline.

1. Suspension of membership privileges. For acts subject to discipline, the Board of Directors may temporarily suspend and revoke the membership privileges of any member at any time, and until such time as the Board of Directors delivers to such

member written Notice of Intent to Discipline. The Board of Directors shall provide equivalent notice to the ACNA.

2. Expulsion or Suspension from driving events. For acts subject to discipline, an event master, jointly and after consultation with the chief instructor, may expel or temporarily suspend from participation at any NAAC driving event any member at any time, and until such time as the Board of Directors delivers to such member written Notice of Intent to Discipline.

c. Procedure and Hearing.

1. Notice of Intent to Discipline. Upon temporary suspension of the driving or other privileges of any member, the Board of Directors shall deliver to such member written Notice of Intent to Discipline stating the reasons therefore and the effective date of the proposed disciplinary action. Written notice shall be made by first class or certified mail to the member's last known address.

2. Disciplinary Hearing. Upon written notice of such suspension or revocation of privileges, the member so affected shall be afforded a reasonable opportunity to be heard, orally or in writing, in person or through a representative, by a hearing officer or Board of Director appointed panel to hear the evidence concerning the alleged misconduct, and submit a report and recommendation to the Board of Directors at a regular meeting, where the member so affected shall be afforded a reasonable opportunity to be heard, orally or in writing, in person or through a representative concerning the alleged misconduct. This process shall be carried out in good faith.

3. Action by Board of Directors. The Board of Directors may thereafter and in its sole discretion take whatever action it deems appropriate under the circumstances including without limitation suspension or expulsion from the NAAC.

d. Effect of Decision. Any decision by the Board of Directors concerning this section shall be final with respect to NAAC membership. Any decision by the Board of Directors shall not be determinative of membership with the ACNA or any other chapter thereof.

e. Appeal and Reinstatement. Upon written appeal signed by a member disciplined hereunder and filed with the Secretary, the Board of Directors, by the affirmative vote of a two-thirds (2/3) majority of all the members thereof, may reinstate a member to

membership on such terms as the Board of Directors may deem appropriate. Failure or inaction by the NAAC Board of Directors within thirty days of receipt of any written appeal shall constitute a waiver of discipline and automatic reinstatement to membership. Any disciplined member can appeal to the ACNA Board of Directors for reinstatement under the ACNA discipline review policy.

Article IV. Meetings

4.1 Meeting Place. Meetings shall be held at such locations as are determined from time to time by the Board of Directors.

4.2 Regular Meetings. The Board of Directors shall hold regular meetings at a date and time as determined by the Board of Directors at the annual membership meeting. The Board of Directors shall hold a regular meeting at least once per fiscal quarter. The Secretary shall cause to be published notice of regular meetings, including an agenda therefor, within a fair and reasonable time on the NAAC website and in electronic form to the membership. Regular meetings are open to the membership; however, members shall not be entitled to vote at regular meetings.

4.3 Special Meetings. A special meeting of the Board of Directors may be called at any time by the President, or upon written request to the President by no less than three (3) members of the Board of Directors, or twelve (12) members of the NAAC membership.

a. Written Request. Any person so entitled to call a special meeting of the Board of Directors shall make written request to the President to call the meeting, setting forth the purpose therefor.

b. Time. Upon written request for a special meeting of the Board of Directors, the President shall establish a date and time for the special meeting no later than thirty (30) days after receipt thereof.

c. Location. If a special meeting of the Board of Directors is called for by the membership, the Board of Directors shall strive to hold the meeting in a geographic locale centrally located to the entire membership. If the Board of Directors elects to

holds a special meeting via teleconference, members shall be entitled to participate and/or join such teleconference without fee or cost.

d. Notice. The Secretary shall cause to be published notice of a special meeting to each member no later than fourteen (14) days prior thereto. Notice shall set forth the place, date, time and purpose of the meeting, including an agenda therefor, and shall be published on the NAAC website. If mailed, such notice shall be deemed to be delivered when deposited in the U.S. Mail so addressed, with postage thereon prepaid, not less than three (3) days prior to the commencement of the above-stated notice period.

e. Limited Purpose. The business transacted at the special meeting is limited to the purpose(s) stated in the notice of the special meeting.

f. Default. If the Secretary fails to cause to be published notice of the special meeting within thirty (30) days from the date on which the request is received by the President, the member(s) who requested the meeting may fix the time and place of the meeting and give notice thereof no later than thirty (30) days prior to the special meeting date. The business transacted at the special meeting is limited to the purpose(s) stated in the notice of the special meeting.

4.4 Annual Membership Meeting. There shall be an annual membership meeting of the organization held at a time and place to be established by the Board of Directors in each year for receiving the annual reports of officers, Directors, and committees, and the transaction of other business. Under no circumstance shall more than fifteen (15) months lapse between annual membership meetings. The Secretary shall cause to be published on the NAAC website and to the last recorded address of each member notice of the annual membership meeting no later than fourteen (14) days before the time appointed for the meeting. Notice of the annual membership meeting shall set forth the place, date, time and purpose of the meeting, including an agenda therefor. The Board of Directors shall strive to geographically rotate the meeting place on a reasonable basis in order to encourage attendance and participation by all members. All active members are entitled to vote on all business requiring a vote at the annual membership meeting.

4.5 Order of Business. The order of business at the annual membership meeting shall be as follows:

- a. Call to order
- b. Reading of the minutes from the last annual membership meeting.
- c. Report of the President, including a summation of business transacted by the Board of Directors since the last annual membership meeting
- d. Reports of the Secretary and Treasurer
- e. Ratification of the acts of the Board of Directors
- f. Reports of the standing and special committees
- g. Unfinished or old business
- h. Election of new Directors
- i. Appointment of officers
- j. New business
- k. Presentation of resolutions
- l. Adjournment.

4.6 Modification. The order of business may be changed or suspended by a majority vote of active members present at the annual membership meeting.

4.7 Rules of Order. Robert's Rules of Order, newly resolved (10th ed., 1990), shall govern in all cases not provided for within the Bylaws.

4.8 Voting. At the annual membership meeting and at other membership meetings, each voting member in good standing shall be entitled to one vote on each matter submitted to a vote of the membership.

a. Cumulative voting prohibited. Cumulative voting shall not be permitted.

b. Proxy Voting. The Board of Directors shall provide written notice of any type of meeting at which voting members may vote by proxy and shall describe the procedure for appointing proxies.

c. Written ballot. Any action that is proper for a regular or special meeting, except the annual membership meeting, may be conducted by written ballot in lieu of a meeting.

d. Written consent. Any action consented to in writing by each and every Director shall be as valid as if adopted by the Board of Directors at a duly noticed and held meeting of the Board of Directors, provided such written consent is duly recorded by the Secretary.

4.9 Voting Quorum. A quorum is required for the transaction of any business:

a. Meetings of the Board of Directors. At any meeting of the Board of Directors, the presence of a majority of the Board of Directors, or representation by an acceptable proxy in official form as provided by the Secretary with the notice of the meeting, shall constitute a quorum. A vote of a simple majority of the Directors present at any such meeting at which a quorum is present shall constitute an act of the Board of Directors.

b. Membership meetings. At the annual membership meeting and at other membership meetings, including special meetings, a majority of the Board of Directors, or five percent (5%) of the membership present or represented by an acceptable proxy in official form as provided by the Secretary with the notice of the meeting, shall constitute a quorum. A vote of a majority of the members present at any such meeting at which a quorum is present shall constitute an act of the Board of Directors, or the membership, as the case may be.

c. Absence of quorum. In the absence of a quorum, the President may adjourn any meeting from time to time without further notice. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed.

Article V. Directors.

5.1 Composition. The Board of Directors shall consist of up to nine (9) elected members, including the following officers: President, Vice President, Secretary and the Treasurer. The Board of Directors may consist of both active members and associate members. The Board of Directors shall consist of at least six but not more than nine persons. The Board of Directors may, by an affirmative change in the Bylaws, increase the number of members serving on the Board of Directors to more than nine; however, the total number of Directors shall be evenly divisible by three. Directors must be residents of the territory of the NAAC. Officers are elected by the Board of Directors.

5.2 Method of Election. The Directors of this organization shall be elected by eligible voting members.

a. Term. Each Director shall be elected to serve a term of three (3) years.

b. Staggered. The terms of office of the elected Directors shall be structured that, absent any vacancies, only one-third (1/3) of voting Directors shall be elected to the Board of Directors at each annual membership meeting.

c. Succession. A Director's term shall end upon the installation of his or her successor at the annual membership meeting at which the successor has been elected.

d. Vacancies. If the office of any Director shall become vacant by reason of death, resignation, disability, retirement, disqualification, removal from office, or for other cause, the remaining members of the Board of Directors, even if less than a quorum, shall elect a successor(s) for the unexpired term of such Director.

5.3 Honorary Directors. The Board of Directors may, from time to time and by majority vote, elect one or more honorary Directors of this organization who shall serve as advisory members to the Board of Directors. Any such election shall be for such terms and based on such criteria, as the Board of Directors deems appropriate. All honorary Directors shall be non-voting Directors.

5.4 Quorum. See 4.9. In the absence of a quorum, the President may adjourn any meeting from time to time without further notice. At such adjourned meeting at which a quorum is present or represented, any business may be transacted that might have been transacted at the meeting as originally noticed.

5.5 Presiding Officer. The President shall serve as chair of the Board of Directors and shall preside at all meetings of the organization. In the absence of the President, the Vice President shall preside. In the absence of both, a temporary chair shall be chosen by the members of the Board of Directors present.

5.6 Management of Affairs of Organization. The property, affairs, activities, and concerns of the organization shall be managed by the Board of Directors, which, without limiting the scope of the foregoing, shall have the power to appoint and direct agents, and to grant general or limited authority to officers, employees, and agents of the organization, to make, execute and deliver contracts and other instruments and documents in the name of and on behalf of the organization. The Board of Directors shall comply with both the Bylaws and Chapter Policy of the ACNA. In addition, the Board of Directors may exercise all powers of the organization and do all lawful acts and things reserved to members either by law, by the Bylaws of the organization, or by the Charter of the ACNA.

5.7 Bylaw Interpretation. The Board of Directors shall interpret the Bylaws.

5.8 Removal. Any Director may be removed with or without cause at a meeting of the Board of Directors duly designated for such purpose by a two-thirds (2/3) majority vote of the disinterested members of the Board of Directors. Directors absent from three consecutive regular meetings are deemed removed.

5.9 Resignation. Any Director may resign at any time by written tender of resignation at any meeting of the Board of Directors or by written notice thereof to the President or the Secretary. Any such notice of resignation shall take effect as of the date of the receipt of such notice.

Article VI. Officers.

6.1 Composition. The officers of the organization shall be a President, a Vice President, a Secretary, and Treasurer. The Board of Directors shall appoint the officers of the organization. The officers of this organization shall include such additional officers as the Board of Directors may from time to time designate.

6.2 Method of Election. Officers shall be nominated from the Board of Directors and elected by a simple majority vote of the Board of Directors at the annual membership meeting or special meeting to fill a vacancy.

a. Term. Each officer shall be appointed to serve a term of one (1) year. Each officer shall hold office until his or her successor has been duly appointed and qualified, or until his or her death, resignation or removal in the manner herein provided.

b. Limit. No officer shall be appointed to serve in the same office more than three consecutive, one-year terms. No member shall concurrently hold more than one office.

6.3 Rights and Termination. Appointment of an officer shall not of itself create contract rights. Any officer may be removed from office with or without cause and by a two-thirds (2/3) majority vote of all the disinterested members of the Board of Directors at a meeting of the Board of Directors called for such purpose. Such removal shall be without prejudice to the contract rights, if any, of the person so removed.

a. Vacancies. In the event of resignation, retirement, disqualification, death, disability or removal from office, for any reason whatsoever, of any officer of the organization, the vacancy so created shall be filled by an affirmative vote of a majority of the Board of Directors then in office for the unexpired remainder of the term.

b. Resignation. Any officer may resign at any time by written tender of resignation at any meeting of the Board of Directors or by written notice thereof to the President or Secretary. Any such notice shall take effect as of the date of the receipt of such notice or at any later time specified therein. The acceptance of such resignation shall not be a condition precedent necessary to its effectiveness.

c. Continuation as Director. Any resigned or removed officer will fill out the remainder of their term as Director unless resigned or removed from the Board of Directors as described elsewhere in the Bylaws.

6.4 President.

a. Duties. The President shall be the chief executive officer of the organization. The President shall preside at all meetings of the Board of Directors and of the membership

and shall serve as an ex-officio, non-voting member of all standing committees of the Board of Directors.

b. Powers. The President shall be responsible for the general supervision, direction and management of the affairs of the organization. The President may execute on behalf of the organization all contracts, deeds, conveyances, and other instruments, which may be required or authorized by the Board of Directors for the proper and necessary transaction of the business of the organization.

c. Voting. The President shall not vote in the transaction of business at any meeting of the Board of Directors. The President may only cast a vote in the event of a tie vote by the voting members of the Board of Directors.

6.5 Vice President.

a. Duties. The Vice President shall assist and/or perform the duties of the President in the latter's absence or incapacity. The Vice President shall perform such other duties as usually pertain to the office of the Vice President and or as assigned from time to time by the President and or the Board of Directors.

b. Powers. Actions taken by the Vice President on behalf of the organization, whenever the President is unable to serve, shall have the same force and effect as if they were executed by the President.

c. Voting. The Vice President is a voting member of the Board of Directors subject only to the voting limitations imposed pursuant to section 6.4(c).

6.6 Secretary.

a. Duties. The Secretary shall make and keep a permanent record of the proceedings of its members, Board of Directors, and committees having and exercising any of the authority of the Board of Directors, and shall be the custodian of all records of the organization. The Secretary shall transfer to his or her successor at the time and place of the successor's installation into office all records of the organization, and make available to the ACNA copies of all official records, including minutes. The Secretary shall also perform such other duties as may be assigned to the Secretary from time to time by the President and or the Board of Directors.

b. Powers. The Secretary shall have and may exercise any and all other powers and duties pertaining to law, regulation or practice to this office, or imposed by the Bylaws.

c. Voting. The Secretary is a voting member of the Board of Directors.

d. Absence. In the absence of the Secretary, a temporary Secretary shall be appointed by the chair of the meeting.

6.7 Treasurer.

a. Duties. The Treasurer shall be responsible for maintaining accurate financial records of the organization and for safeguarding organization assets. The Treasurer shall present to the Board of Directors at the annual membership meeting a report of the organization's financial transactions and status. The Treasurer shall present such other reports to the Board of Directors as it may require from time to time, including reports in support of a financial audit. The Treasurer shall be responsible for the timely reporting of required federal, state and local tax information to the ACNA and allow the ACNA to file all required federal, state and local tax returns at no cost to the NAAC. The Treasurer shall adopt a standard accounting chart of accounts as supplied by the ACNA, use approved financial reporting software and furnish a yearly listing of Chapter officers and directors to the ACNA as required by the Internal Revenue Service. The Treasurer will regulate the investment of organization funds and ensure that no single financial institution has deposits on hand in excess of federally-insured limits. The Treasurer shall have primary responsibility for establishing and maintaining organization bank accounts, and for signing checks drawn on organization accounts. The Treasurer shall perform such other duties as may be assigned from time to time by the President and or the Board of Directors.

b. Powers. The Treasurer shall have and may exercise any and all other powers and duties pertaining to law, regulation or practice to this office, or imposed by the Bylaws.

c. Voting. The Treasurer is a voting member of the Board of Directors.

d. Absence. In the absence of the Treasurer, the President shall have the limited authority to sign checks drawn on organization accounts.

6.8 Additional Powers. Any officer of this organization, in addition to the powers conferred upon them by these Bylaws, shall have such powers and perform such additional duties as may be prescribed from time to time by the Board of Directors.

Article VII. Executive Board and Committees

7.1 Executive Committee. The President, Vice President, Secretary and Treasurer shall constitute the Executive Committee. The Executive Committee shall be responsible for proper conduct of the administrative affairs of the organization, the proper functioning of other Committees, and shall ensure compliance with these Bylaws. The Executive Committee shall prepare the Agenda for any meeting of the membership or Board of Directors, and shall circulate the same for a reasonable period of time prior to any such meeting. The responsibilities of the Executive Committee shall include such additional responsibilities as the Board of Directors shall from time to time assign. All decisions of the Executive Committee shall be a majority vote unless otherwise herein provided.

7.2 Committees.

a. Authority. The Board of Directors may appoint committees for any lawful purpose, including an executive committee, as may be specified in resolutions adopted by a majority of the members of the Board of Directors.

7.3 Standing Committees. Subject to 8.1 and at the annual membership meeting, the Board of Directors, by a resolution(s) passed by a majority of the Board of Directors, may designate the following standing committees:.

a. Communications Committee

b. Driver Education Committee

c. Driving Events Committee

d. Governance Committee

e. Instructor Development Committee

f. Nominations Committee

g. Website Committee

7.4 Special Committees. The Board of Directors may establish special committees.

a. Duties. Each committee shall have such duties and responsibilities as are granted or delegated to it from time to time by the Board of Directors.

b. Membership. Each committee shall consist of one or more Directors. Each Director shall serve on one or more committees. Each committee shall elect a committee chair. Committee chairpersons need not be Directors. Each committee shall have the power to appoint or remove committee members as necessary, subject to approval of the Board of Directors. The President serves as an ex-officio member of all committees.

c. Committee Reports. The chairperson of each committee shall file a written report with the Secretary for presentation at each meeting of the Board of Directors and the annual membership meeting. Interim written reports shall be filed with the Secretary as requested by the President or a member of the Board of Directors.

d. Meetings and Voting. Meetings of any committee may be held at such time and place as are announced by the committee at a previous meeting of the committee. Meetings of any committee may also be called at any time by the chairperson of the committee, by the President, or by any three (3) members of the Board of Directors.

7.5 Notice. Notice of any committee meeting must be furnished in writing not less than seven (7) days prior to any committee meeting.

7.6 Waiver. Appearance at a meeting is deemed to be a waiver of notice unless the committee member objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened, and the committee member does not participate in the meeting.

7.7 Quorum. The presence of a majority of the membership of any committee shall constitute a quorum at any committee meeting. Any action that could be taken at a

committee meeting may be taken by written action signed by all members of the committee.

7.8 Voting. Each committee member shall be entitled to cast one vote on any question coming before the committee. The President may cast a vote in the event of a tie vote by the voting members of each committee. A majority vote of the members of a committee shall be sufficient for the transaction of the business of such committee.

7.9 Ratification. Committee actions, excepting those of the Executive Committee, are not binding unless and until approved by the Board of Directors.

7.10 Dissolution. Non-standing and special committees shall dissolve immediately upon completion of the purpose for which they are created. The Board of Directors shall renew all standing committees at the annual membership meeting.

Article VIII. Election of Directors.

8.1 Nominating Committee. The Board of Directors shall appoint not less than three (3) active members to a nominating committee, and shall designate the chairperson thereof.

a. Nominating Committee Purpose. The nominating committee shall steward the nomination process and shall strive to maintain geographic diversity within the Board of Directors. The nominating committee shall investigate the qualifications of each candidate.

b. Nominating Committee Duties. At times so determined by the Board of Directors, the nominating committee shall identify potential candidates and solicit from the membership those active and associate members interested in serving on the Board of Directors for a term of up to three years. The nominating committee shall steward potential candidates through the nomination process, verify the eligibility of each potential candidate and certify each nomination petition to the Board of Directors. The nominating committee shall have such additional responsibilities as assigned from time to time by the Board of Directors.

c. Nomination Petition. The nominating committee shall create and distribute to potential candidates a petition for nomination disclosing the nominating process. The petition for nomination shall require the potential candidate to confirm his or her qualifications and willingness to serve as a Director for a term of up to three years, as evidenced by the signatures of no less than twelve (12) members in good standing as of the date of such signature. The nominating committee shall afford potential candidates no less than thirty days to acquire such signatures. Within thirty (30) days of the receipt thereof, the nominating committee shall verify the eligibility of each candidate and the membership status of each signatory to a candidate petition for nomination. The nominating committee shall certify to the Board of Directors each petition for nomination duly submitted within the time afforded herein.

d. Publication. The Secretary shall publish the list of candidates, together with qualifications, on the NAAC website.

•8.2 Additional Nominations. Additional nominations for Director of the organization may be made by any group of not less than twelve (12) members who forward such nominations, personally signed by each and accompanied by a statement of the nominee indicating willingness to serve, to the Secretary not less than forty-five (45) days prior to the annual membership meeting. The Board of Directors shall not accept additional nominations at the annual membership meeting.

•8.3 Nominee Qualifications. All nominees must be a member in good standing for no less than one year prior to the annual membership meeting.

•8.4 Ballot. The Board will approve the ballot. The Secretary shall announce to the membership the nominations in the form of a written ballot mailed postpaid not less than thirty (30) days prior to the annual membership meeting. The Secretary shall accept written ballots in person and until the annual membership meeting is called to order

•8.5 Voting. The President will determine each voting member was a member in good standing as of the date of the election. The Board will appoint neutral party(s) to receive ballots by mail, and then count the ballots. The results shall be presented in a sealed envelope to the Secretary for publication at the annual membership meeting.

•8.6 Election Results. Election of Directors to the Board of Directors shall take place at the annual membership meeting. Each nominee receiving a plurality of votes, whether

or not a majority of all votes cast, shall be declared the successful candidate. The Secretary will maintain the documentation of the election for a period of one year after the election date, for examination by any active member. The Secretary shall cause to be published the results of the election on the NAAC website and in the organization's newsletter.

•8.7 Notice of Election. Upon election by the membership, the Secretary shall notify each so elected of his or her election at the annual membership meeting. The Secretary shall acknowledge members so elected at the annual membership meeting if said member(s) are present.

•8.8 Installation into Office. Directors shall be installed into office immediately upon their election at the annual membership meeting. Officers shall be installed into office immediately upon their appointment by the Board of Directors during the annual membership meeting.

Article IX. Indemnification.

•9.1 Indemnification of Officers and Directors. To the full extent permitted by any applicable law, the organization shall indemnify each person made or threatened to be made a party to any threatened, pending or completed civil, criminal, or administrative claim, litigation, arbitration or investigative proceeding including a proceeding instituted by or on behalf of this organization, and by reason of the present or former capacity of such person as a:

a. Director, officer, employee or member of a committee of this organization, OR

b. Director, officer, partner, trustee, employee, or agent of another organization who while a Director, officer, or employee of this organization, is or was serving the other organization at the request of this organization whose duties as a Director, officer or employee of this organization involve or involved such service to the other organization, against judgments, penalties, fines (including, without limitation, excise taxes assessed against the person with respect to an employee benefit plan), settlements, and reasonable attorneys' fees and disbursements, incurred by the person in connection with the proceeding.

•9.2 Application. To the full extent so provided by law, indemnification provided by this section shall continue as to a person who has ceased to be a Director, officer, employee or committee member, shall inure to the benefit of the heirs, executors and administrators of such person and shall apply whether or not the claim against such person arises out of matters occurring before the adoption of this section. Any indemnification realized other than under this section shall apply as a credit against any indemnification provided under this section.

Article X. Miscellaneous.

•10.1 Books and Records. All books and records of the organization may be inspected by any member, or agent or attorney therefor, for any proper purpose and at any reasonable time. The ACNA shall have the right to inspect all books and records of the NAAC.

•10.2 Severability. The Bylaws of this organization shall not contain any provisions inconsistent with the Articles of Incorporation and Bylaws of the ACNA. A provision in these Bylaws which becomes inconsistent through the subsequent amendment of the Articles of Incorporation or Bylaws of the ACNA, or through changes in established national policy, becomes inoperative without effect on the validity of the remaining. In the event any provision herein shall be held to be invalid or unreasonable by any competent court, the remainder shall be interpreted as if such invalid provision were not contained herein and shall remain in full force and effect.

•10.3 Fiscal Year. The fiscal year of this organization shall begin on January 1 and end on the succeeding December 31 of the same year or that which coincides with the fiscal year of the ACNA.

•10.4 Electronic Communications. A member, Director or committee member may participate in a meeting by any means of communication by which such person, other persons so participating, and all persons physically present at the meeting may simultaneously hear each other during the meeting. Participation in a meeting by electronic means constitutes presence in person at the meeting. A conference among members, Directors, or committee members by any means of communication through which such persons may simultaneously hear each other during the conference is a

meeting of the members, Board of Directors, or committee, as the case may be, if the same notice is given of the conference as would be required for a meeting, and if the number of persons participating in the conference would be sufficient to constitute a quorum at a meeting. Participation in a meeting by that means constitutes presence in person at the meeting.

•10.5 No General Authority to Borrow or Encumber Assets. No Director, officer, agent or employee of this organization shall have any power or authority to borrow money, execute an operating or capital lease on its behalf, to pledge its credit or to mortgage or pledge its real or personal property except within the scope and to the extent of the authority delegated by resolutions adopted from time to time by the Board of Directors. Authority may be given by the Board of Directors for any of such purposes and may be general or limited in nature.

•10.6 Deposit of Funds. All funds of this organization shall be deposited from time to time to the credit of this organization in federally insured banks, trust companies or other depositories as the Board of Directors may approve or designate, and all such funds shall be withdrawn only in the manner or manners authorized by the Board of Directors.

•10.7 Use of Funds. No part of the net earnings of the organization shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the organization shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the purpose clause hereof. No substantial part of the activities of the organization shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the organization shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of this document, the organization shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under section 501(c)(3j) of the Internal Revenue Code, or corresponding section of any future federal tax code, or (b) by an organization, contributions to which are deductible under section 170(o)(2) of the Internal Revenue Code, or corresponding section of any future federal tax code.

•**10.8 Dissolution.** Upon the dissolution of the organization, all funds shall be distributed to the ACNA. Should distribution to the ACNA prove impossible, organization assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the U.S. Internal Revenue Code, or corresponding provision of subsequently enacted federal law, or shall be distributed to the federal government, or to a state or local government, for a public purpose. No part of the net assets or earnings of the organization shall inure to the benefit of or be paid or distributed to a officer, Director, member, employee or donor of the organization.

•**10.9 Claims.** The NAAC shall notify the ACNA of any claims, suits, or cause of action that may be asserted or alleged.

Article XI. Ratification and Amendment of Bylaws.

•**11.1 Generally.** The Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by a two-thirds (2/3) majority vote of all members of the Board of Directors at a meeting of the Board of Directors called for such purpose. However, in no event may any amendments be made which would affect the corporation's qualification as a tax-exempt organization pursuant to Section 501(c)(3) of the Federal Tax Code or corresponding section of any future federal tax code.

•**11.2 Proposed Amendments.** The Governance Committee whose purpose is to review this Constitution and Bylaws and whose recommendations for revision are agreed to by a majority vote of that committee, or a consortium constituting at least two percent (2%) or twelve (12) active members of the membership, whichever is less, may propose amendments to the Bylaws. Amendments to the Bylaws proposed under this section shall be submitted to the Secretary in writing and shall be signed by each of the members so proposing the amendment. The Secretary shall caused to be published any alteration, amendment or repeal of any Bylaw so proposed and shall provide to active members no less than twenty-one (21) days' written notice of any meeting of the Board of Directors called for such purpose.

•**11.3 Ratification.** Any alteration, amendment or repeal of any Bylaw duly approved by the Board of Directors is subject to ratification by the ACNA Board of Directors within forty-five (45) days following such action by the Board of Directors. Further, any

alteration, amendment or repeal of any Bylaw duly approved by the ACNA Board of Directors is subject to ratification by the membership within forty-five (45) days following such action by the ACNA Board of Directors.

•**11.4 Publication.** The Secretary shall cause to be published the results of any alteration, amendment or repeal of any Bylaw on the NAAC website and in the organization's newsletter.

Article XII. Conflicts of Interest.

•**12.1** Any possible conflict of interest on the part of any member of the Board of Directors, officer or employee of the Corporation, shall be disclosed in writing to the Board of Directors and made a matter of record through an annual procedure and also when the interest involves a specific issue before the Board of Directors. The minutes of the meeting shall reflect that a disclosure was made, the abstention from voting, and the actual vote itself. Every new member of the Board of Directors will be advised of this policy upon entering the duties of his or her office, and shall sign a statement acknowledging, understanding of and agreement to this policy. The Board of Directors will comply with all requirements of New Hampshire law in this area and the New Hampshire requirements are incorporated into and made a part of this policy statement.

CERTIFICATION

I, Secretary, do hereby certify that I am the duly elected, qualified or acting Secretary for the Audi Club North America, North Atlantic Chapter, Inc., and that the foregoing is a true and correct copy of the Bylaws adopted by the Board of Directors on this day of May, 2010.