

BY-LAWS
of the
AUSTIN AUTOMOBILE DEALERS ASSOCIATION

Article I

NAME:

The name of this association shall be the Austin Automobile Dealers Association.

Article II

OBJECTIVES:

The objectives of this Association are:

- (a) To support the principals of ethical business practices and commercial integrity of those engaged in the retail distribution and sale of new automobiles and trucks;
- (b) To promote the best interests of franchised new car and truck dealers, consistent with the public good;
- (c) To promote a spirit of cooperation among franchised new automobile and truck dealers;
- (d) To acquire, preserve and disseminate data and information of value to its members, the industry, and the public;
- (e) To maintain good relations among customers, dealers, distributors and manufacturers;
- (f) To promote and improve relations of member dealers with the general public;
- (g) To cooperate and work closely with the state and national dealer associations.

Article III

MEMBERSHIP:

(a) Active Membership:

(1) Active membership in the Association may be open to any person, firm, partnership or corporation which is a franchised agency engaged in the selling and servicing of new automobiles and/or trucks and maintaining a place of business for that purpose; located in the city limits of Austin, Texas and licensed by the Texas Motor Vehicle Commission;

(2) Affiliate membership in the Association may be open to any person, firm, partnership or corporation which is a franchised agency engaged in the selling and servicing of new automobiles and/or trucks and maintaining a place of business for that purpose; located in the counties of Bastrop, Blanco, Burnet, Caldwell, Hays, Lee, Travis, Williamson, and licensed by the Texas Motor Vehicle Commission. Affiliate members in Travis County may not be in the city limits of Austin, Texas. Affiliate members shall have no vote nor be eligible to hold office in the Association. (Adopted November 26, 2002)

~~(2)~~ **(3)** Each active member franchised new car or truck dealership shall be entitled to one, and only one, voting membership in this association. Annually, or as often as deemed advisable, a member dealer shall notify the Secretary-Treasurer of this Corporation of the name of any person, if not himself, who has been designated by such dealer as the voting member who will represent such dealer at all meetings of this corporation. No person shall be designated as such member to represent the dealer unless he is a dealer principal, financial participant or designated dealer operator.

~~(3)~~ **(4)** Membership Transferable: Membership in the Association may be transferable to a new owner of a dealership due to the sale or transfer of the dealership.

~~(4)~~ **(5)** Dues: Dues will be established by the Board of Directors and may be altered or amended at any meeting of the Board.

~~(5)~~ **(6)** Suspension and Reinstatement: Any members who ceases to be a new motor vehicle dealer in Texas or who fails to pay dues and assessments within sixty (60) days after due, will be automatically suspended from membership and all benefits of membership will be immediately terminated. Reinstatement of membership can be affected only by the payment of dues, assessments and arrears.

(b) [Associate Membership]

(1) [Associate membership shall be available to any person, firm or corporation engaged in selling products or services to active members and persons employed by governmental agencies and educational institutions.]

(a) [Associate member dues will be established by the Board of Directors and may be altered or amended at any meeting of the Board.]

(b) [Associate members shall have no vote nor be eligible to hold office in the association.] (Adopted November 26, 2002)

A member may be removed from membership for cause by a two-thirds vote of the Board of Directors. Removal for cause will occur only after the member has been advised of the complaint against it and it has been given reasonable opportunity to appear before the Board of Directors, or a tribunal designated by the Board, in its own defense.

Article IV

MEETINGS:

- (a) Regular membership meetings will be held as determined by the Board of Directors.
- (b) Special meetings may be called at any time by the President.
- (c) The fiscal year of the Association shall be January 1 to December 31.

Article V

BOARD OF DIRECTORS:

- (a) **Power:** The corporate powers, business and properties of this Association shall be exercised, conducted and controlled by the Board of Directors.
- (b) **Number of Members of Board of Directors:** The Board shall consist of four elected Directors, and the officers of the Association, i.e., President, Vice-President, Secretary-Treasurer.
- (c) **Election of Directors:** Of the first four Directors elected subsequent to the adoption of these By-Laws, two shall hold office for a one-year term and two shall serve for a two-year term as determined by the Executive Committee. Therefore, all elected directors will serve for a two-year period with two directors being elected each year.
- (d) **Tenure:** Each Director is to serve a period of two years. Directors shall hold office until the expiration of their term for which they were elected and shall remain in office until their respective successors are duly elected and qualified.
- (e) **Replacing of Directors:** In the event of death, incapacity or leaving the automobile business or resignation of a Director, the Board of Directors shall replace such Director for the unexpired term or until the coming election.
- (f) **Board of Directors:** The president shall be Chairman of the Board of Directors. The Vice-President shall replace the President in case of this absence.
- (g) **Meetings of the Board of Directors:** The meetings of the Board of Directors shall be subject to call by the President, if absent by the Vice-President.

(h) Voting: Each member of the Board of Directors shall be entitled to one vote.

Article VI

OFFICERS:

(a) The Officers of this Association shall be a President, Vice-President, Secretary-Treasurer and Executive Director, if one is so employed by the Association.

(b) The Executive Director will serve as an ex-officio non-voting member of the Board of Directors.

(c) All Officers except the Executive Director must be members in good standing.

(d) The officers of this Association shall be elected or confirmed each year at the regular membership meeting called for this purpose.

(e) Other than the Executive Director, all officers shall serve without compensation.

(f) In the case of death, disability, resignation or removal of any officer, the unexpired term of such Officer shall be filled by appointment by the Board of Directors.

Article VII

DUTIES OF OFFICERS:

(a) President: The president shall preside at all meetings of members and Directors and shall be the Chief Executive Officer of the Association and perform generally all duties as may be from time to time required of him.

(b) Vice-President: The Vice-President shall perform all the duties of the President in case of the absence or disability of the President, and shall perform such other duties as may be prescribed by the Board of Directors.

In case of the absence or disability of the President and the Vice-President, the Board of Directors may provide a President pro tem.

(c) Secretary-Treasurer: The Secretary-Treasurer shall receive and keep all money rights and assets belonging to the Corporation, and the same shall be distributed under the direction of and to the satisfaction of the Board of Directors and to see that proper records shall be kept of all receipts and disbursements. It shall be the Secretary-Treasurer's duty to keep and accurate account of the finances of the Corporation on the books of the Association prepared and furnished for that purpose, and all books and

records shall be open for inspection and examination by the Board of Directors. He shall render an account of the standing of the Association to members at membership meetings. He shall perform all such other duties as may be required of him by the Board of Directors. Certain or all of the duties of the Secretary-Treasurer may be delegated by the Executive Committee to the paid employee(s) of the AADA. The Secretary-Treasurer however, has the obligation and right to oversee, supervise, direct, investigate and or verify any and all of the functions which may be so delegated.

(d) Executive Director:

- (1) The Executive Director shall keep an accurate record of all transactions of members and Directors. He or she shall give all notice required by law unless otherwise provided for and all notices provided for in the code of regulations and all notices of this Association. He or she shall keep a proper secretary's book and shall properly record therein all minutes of members and Directors meetings and such other matters as shall be proper and necessary. The Executive Director shall perform generally such other duties as may be required by the Board of Directors.
- (2) At the expiration of employment, the Executive Director shall deliver all books, papers and property of the Association on hand to his or her successor or to the President.
- (3) The Board of Directors shall have the authority to appoint and employ an Executive Director and fix the compensation of the Executive Director. The Executive Director shall at all times be responsible to the Board of Directors for his or her employment and shall be subject to the advice, counsel and director of the Board of Directors.
- (4) The routine management and conduct of the routine business of this Association shall be under the direction of the Board of Directors.
- (5) The Executive Director is authorized to engage and fix compensation of the other employees of the Association subject to the approval of the Board of Directors. He or she may be bonded and require bonds of other employees as is deemed necessary by the Board of Directors.
- (6) Other duties of the Executive Director shall be such as are prescribed by the President with the approval of the Board of Directors.

Article VIII

PRESIDENT:

The President shall serve for a period of one year and shall not succeed himself but shall be eligible for the office of President thereafter.

VICE PRESIDENT:

The Vice-President will succeed the President and serve for a period of one year subject to the confirmation by the Board of Directors at the first regular meeting of the election year.

SECRETARY-TREASURER:

The immediate past President shall serve as the Secretary-Treasurer of the association for a period of one year.

Article IX

NOMINATION OF OFFICERS-DIRECTORS:

(a) All members of the Association shall be notified at least three days prior to any regular meeting which has as its objective the election of Officers and/or Directors.

(b) Thirty days prior to a meeting at which an election is to be held, the President shall appoint a nominating committee to consist of not more than five members in good standing to select candidates for the offices to be filled. Also, any member from the floor may nominate a candidate provided he receives three seconds, from members at the meeting, to his nominating motion.

Article X

QUORUM AND VOTING:

(a) For regular membership meetings, ~~a majority of the membership shall constitute a quorum~~ **shall consist of eight (8) active members present** for the conduct of business. For Board of Directors' meetings, a quorum shall consist of a majority of the Board members. **(Adopted November 26, 2002)**

(b) Unless otherwise provided in these By-Laws, a majority vote **of the members present and voting** shall be required for any action taken by the membership or Board where a quorum is present. **(Adopted November 26, 2002)**

Article XI

RESPONSIBILITIES OF OFFICERS:

(a) No member of the Association shall hold office unless he is in good standing at the time of his nomination and election to such office. Any member to be considered in good standing shall have paid his dues up to and including the last period for which statements of this obligation shall have been mailed them at their last known dealership address.

(b) A general meeting of all members shall be subject to call by the President or Vice-President.

Article XII

COMMITTEES:

The President, with the approval of the Board of Directors, may appoint a committee or committees to undertake any work of the Association that the Board of Directors may deem necessary. The meetings of the committee may be called at any time by the President of the Association or the Chairman of the Committee.

Article XIII

REVENUE AND DUES:

The revenue of the Association shall be derived from dues, or special assessments, and from such other sources as the Directors may decide. The amount of the dues or special assessments shall be determined by the Board of Directors.

Article XIV

AMENDMENT TO BY-LAWS:

These By-Laws may be altered, amended or repealed by vote of a majority of the members of the Association present and voting at any regular meeting or special meeting of the Association, provided that notice of intention to amend, alter or repeal the By-Laws in whole or in part shall have been given at the preceding regular meeting of the Association. A copy of any By-Laws proposed to be amended, altered or repealed shall be mailed to each Association member ~~within~~ at least five days prior to the meeting set for discussion thereof. **(Adopted November 26, 2002)**

Article XV

ORDER OF BUSINESS:

All meetings of this association and its committees shall be governed by "Robert's Rule of Order".