# AMENDED AND RESTATED
# BY-LAWS

Virginia Automobile Dealers Association
Approved by the VADA Board of Directors July 1, 2020

## ARTICLE I – NAME

***Sec. 1.***
The name of the Association shall be Virginia Automobile Dealers Association, Inc. ("Association").

## ARTICLE II – OBJECTIVES

***Sec. 1***.
The objectives of the Association shall be:

(1) To facilitate the exchange of ideas among its members.
(2) To encourage sound business policies.
(3) To foster constructive and progressive state legislation relative to the motor vehicle industry, including but not limited to legislation which (a) fosters competition through balance and fairness in the relationships between Association members and suppliers of the products Association members sell and service; and (b) defends the franchises of Association members to encourage investment in and development of businesses providing quality products and services to customers and the public.
(4) To discourage destructive, retrogressive legislation, especially as it may effect the sale or operation of motor vehicles.
(5) To cooperate with other motor vehicle trade associations.
(6) To promote confidence, respect and good fellowship among all who are directly or indirectly engaged in the motor vehicle industry.
(7) To promote economic service to members.

## ARTICLE III – MEMBERSHIP CLASSIFICATIONS

### *Sec. 1*. MEMBERSHIP

Membership in this Association shall be classified as Franchised, Allied, Independent and Honorary and shall be available to those otherwise qualified persons or entities which support fully the objectives of the Association as set forth in these By-Laws.

**(1) FRANCHISED MEMBERSHIP**

Except as hereinafter set forth, persons, firms, or corporations registered licensed or enfranchised to sell new automobile and truck type vehicles in the State of Virginia are eligible for Franchised membership.

**(2) ALLIED MEMBERSHIP**

Any firm or corporation engaged in business in the State actively identified with the motor vehicle business, shall be eligible for Allied membership upon Board approval. Such membership shall be without vote.

**(3) INDEPENDENT MEMBERHIP**

Any firm or corporation licensed to sell used cars in the State of Virginia which is a wholly-owned subsidiary of a licensed Franchised Dealer in Virginia is eligible for Independent membership upon Board approval. Such membership shall be without vote. Notwithstanding the foregoing restriction, any independent member of VADA as of January 1, 1997, is eligible for continued membership.

**(4) HONORARY MEMBERSHIP**

Any past or ex-franchised dealer is eligible for Honorary membership upon Board approval. Such membership shall be without vote.

### *Sec. 2.* RIGHTS and PRIVILEGES

Only franchised members as represented by their duly accredited representatives shall be eligible for membership on the Board of Directors or to hold office in the Association, the only exception being the President. Only such members shall have the right to vote in an election.

### *Sec. 3.* SUSPENSION and EXPULSION

Any member who shall be guilty of improper conduct on or about the premises of the Association or at any event held or sponsored by the Association, or who, in the conduct of his business or in his dealings with his fellow members or the public, reflects discredit upon the Association or the industry represented by it, or who habitually makes himself objectionable to his fellow members, or who fails to support fully the objectives of the Association as set forth in these By-Laws, may be suspended or expelled by a two-thirds vote of the whole Board of Directors of the Association.

## ARTICLE IV – DUES

### *Sec. 1.* DUES AMOUNTS.

The Board of Directors shall from time to time establish the annual dues amounts for all membership classifications.

### *Sec. 2.* PAYMENT OF DUES

Any dues shall be payable in advance on the first day of November of each year. The dues of new members may be prorated from the first day of the month in which they become new members to the last day of the fiscal year. The Board of Directors, at their discretion, may accept monthly, quarterly or semi-annual payment of dues if, in their opinion, the best interests of the Association will be served. Any member who neglects to pay his or its annual dues within three months shall be notified in writing that his membership shall terminate unless dues are paid within twenty (20) days.

## ARTICLE V-MEETINGS

### *Sec. 1.* ANNUAL MEMBERSHIP MEETING.

A meeting of the members shall be held annually at such time and location as may be determined by the Board of Directors. Twenty – five Franchised members, present in person, shall constitute a quorum, and the act of a majority at a meeting at which a quorum is present shall constitute the act of the meeting. Members shall not be entitled to participate in any meeting by conference telephone or by proxy. Members shall be entitled to participate in any meeting electronically as provided in Article V, Section 6 but may not appear by proxy.

### *Sec. 2.* SPECIAL MEMERSHIP MEETINGS

Special meetings of the Association may be called by the Chairman at any time, and must be called by him upon the written request or ten percent of the total franchised membership, or a majority of the Board of Directors. Such meetings shall be held at such time and place as designated by the Chairman. Notice of all such meetings shall be given to each member by letter addressed to his or its last known post office address ten days prior to the date of such meeting and such notice shall state the purpose of the meeting. At all such special meetings, fifty franchised members, if present in person or by proxy, shall constitute a quorum and the act of a majority of a quorum shall constitute the act of the meeting.

### *Sec. 3.* MEETINGS OF THE BOARD OF DIRECTORS.

The Board of Directors shall hold an annual meeting, at such time and location as it may determine, for the purpose of electing officers and transacting such other business as may properly come before the meeting. Special meetings of the Board of Directors may be called at any time by the Chairman, and shall be called by him whenever so requested in writing by a majority of the Board of Directors. The President shall give such notice of such meetings as is reasonable under the circumstances either personally, by regular or electronic mail or by facsimile. At any meeting of the Board of Directors, twelve directors shall constitute a quorum, but any lesser number attending a properly noticed meeting shall have the power to adjourn to a stated date and place. The act of a majority at a meeting at which a quorum is present shall constitute the act of the Board of Directors.

### *Sec. 4.* ADJOURNED MEETINGS

If a quorum shall not be present at any special called meeting, such meeting may be adjourned to another day and hour.

### *Sec. 5*. ORDER OF BUSINESS.

The order and conduct of business at any meeting shall be determined by rules adopted by the Board of Directors. To the extent not inconsistent with such rules or these Bylaws, the most recent edition of Robert's Rules of Order shall govern all meetings of the Board of Directors and committees of the Association.

### *Sec. 6.* ELECTRONIC MEETINGS.

Any meeting of the Association, including the Annual, Special, and Board Meetings as defined in Article V of these Bylaws, may be conducted by one or more means of remote communication through which all of the Members and/or Directors may participate with each other during the meeting, if the number of Members and/or Directors participating in the meeting would be sufficient to constitute a quorum. Participation in a meeting by electronic means constitutes presence in person at the meeting.

## ARTICLE VI – GOVERNMENT

### *Sec. 1.* BOARD OF DIRECTORS

The whole government of the Association shall be vested in a Board of Directors composed of representatives of Franchised members as follows:

(1) Seven directors from District One
Three directors from District Two
Two directors from District Three
Three directors from District Four
Five directors from District Five
(2) The Virginia Truck Dealers Director, pursuant to Section 5.
(3) The NADA Director from Virginia
(4) The NADA DEAC Director from Virginia
(5) One franchised dealer member of the Motor Vehicle Dealer Board, pursuant to Section 6.
(6) VA Auto and Truck Dealers PAC Chairman, pursuant to Section 6.
(7)The Legislative Committee Chairman, pursuant to Section 6
(8) The VADA AYES Director, pursuant to Section 6.
(9) Up to Three Directors-At-Large, pursuant to Section 6.
(10) The Next Generation Dealer Director, pursuant to Section 6

### *Sec. 2*. PRESIDENT

The Board shall employ a President who shall be the chief executive officer of the Association, and responsible for carrying out the policies of the Association as set forth by the Board of Directors. To assist the President, the Board may appoint an Assistant Secretary from the Association staff.

### *Sec. 3.* HONORARY MEMBERS, BOARD OF DIRECTORS

A past Chairman of the Board of Directors shall be a lifetime Honorary Member of the Board. Such Honorary Membership shall be without a vote, but otherwise shall have the same rights and privileges of a member of the Board of Directors.

### *Sec. 4.* NADA DIRECTOR; NADA PAC DIRECTOR

The NADA Director from the State of Virginia is elected by a mail ballot conducted by NADA, and is for a three (3) year term. The NADA Director shall be a voting member, but shall not be eligible for election to the Executive Committee while serving as the NADA Director. The maximum term of the NADA Director on the VADA Board of Directors should not exceed three (3) consecutive three (3) year terms. However, if it is the will of the dealers, they may reelect the NADA Director for one (1) or more additional terms.

The NADA PAC Director shall be appointed by the Chairman of the Association and ratified by the Executive Committee upon the recommendation of the NADA Director. The NADA PAC Director shall be a voting member, but shall not be eligible for election to the Executive Committee while serving as the NADA

PAC Director. The maximum term of the NADA PAC Director on the VADA Board of Directors should not exceed three (3) consecutive three (3) year terms.

## *Sec. 5.* VIRGINIA TRUCK DEALERS DIRECTOR

There shall be a Virginia Truck Dealers Director appointed by the Chairman of the Association and ratified by the Executive Committee, and serve at the pleasure of the Chairman of the Association . The Truck Dealer Director shall be an Association member and an ATD Member. The VA Truck Dealer Director shall represent the division on both the Board of Directors and the Legislative Committee.

## *Sec. 6.* APPOINTED DIRECTORS

The following Directors shall be appointed by the Chairman of the Board and ratified by the Executive Committee.

The Motor Vehicle Dealer Board Representative shall be appointed by the Chairman of the Association and ratified by the Executive Committee, and shall serve at the pleasure of the Chairman of the Association. The Motor Vehicle Dealer Board Representative shall be a voting member, but shall not be eligible for election to the Executive Committee while serving as the Motor Vehicle Dealer Board Representative.

The VA Auto and Truck Dealers PAC Chairman shall be appointed by the Chairman of the Association and ratified by the Executive Committee, and serve at the pleasure of the Chairman of the Association. The VA Auto and Truck Dealers PAC Chairman shall be a voting member, but shall not be eligible for election to the Executive Committee while serving as the VA Auto and Truck Dealers PAC Chairman but shall serve as a non-voting member of the Executive Committee. The PAC Chairman shall serve as a member of the Legislative and VA Auto and Truck Dealers PAC Committees.

The Legislative Committee Chairman shall be appointed by the Chairman of the Association and ratified by the Executive Committee, and serve at the pleasure of the Chairman of the Association. The Legislative Committee Chairman shall be a voting member, but shall not be eligible for election to the Executive Committee while serving as the Legislative Committee Chairman but shall serve as non-voting member of the Executive Committee. The Legislative Committee Chairman shall serve as a member of the VA Auto and Truck Dealers PAC Committees.

The VADA AYES Director shall be appointed by the Chairman of the Association and ratified by the Executive Committee, and shall serve at the pleasure of the Chairman of the Association. The VADA AYES Director shall be a voting member, but shall be eligible for election to the Executive Committee while serving as the VADA AYES Director.

Up to three Directors-At-Large shall be appointed by the Chairman of the Association and ratified by the Executive Committee, and shall serve at the pleasure of the Chairman of the Association. The Directors-At-Large shall be voting members, but shall be eligible for election to the Executive Committee while serving as the three Directors-At-Large. The Directors-At-Large shall serve no more than nine consecutive years as Directors-At-Large.

The VADA Next Generation Director shall be appointed by the Chairman of the Association and ratified by the Executive Committee, and shall serve at the pleasure of the Chairman of the Association. The VADA Next Generation Director shall be a voting member, but shall not be eligible for election to the Executive Committee while serving as the VADA Next Generation Director.

## *Sec. 7.* ELECTION OF DIRECTORS AND TERM OF OFFICE

### (1) NOMINATIONS

Franchised dealers shall be elected as follows: the retiring directors, working with the local dealers and local dealer associations where applicable, shall submit nominations to the President. Franchised members in good standing and not in arrears in dues so nominated shall be placed on the ballot.

## (2) ELECTIONS

Each Franchised member in good standing and not in arrears in dues shall be entitled to cast one vote for each Director to be elected from his district. Cumulative voting shall not be permitted.

### (3) BALLOTS

The Directors elected by the members within a District shall be elected by a ballot, mailed to each franchise member by the President at least sixty (60) days prior to the annual meeting of the Board of Directors and shall be returned to the President at least thirty (30) days prior to said meeting. The member in each District receiving the largest vote shall be the Director from the District for the ensuing two years. The President shall be required to retain all such ballots as received and present the same to the Executive Committee. In the event of a tied ballot, the names of those candidates tied for election shall be resubmitted to the members within the District and another ballot taken and the one receiving the largest number of votes shall be declared elected.

### (4) TERM OF OFFICE

The term of all elected Directors shall be for three years. All Directors shall hold office for the immediate next year, or years, beginning July 1 after their election. A Director elected from any of the eight (8) Districts may be eligible for election for maximum of three consecutive terms. A Director with at least three years remaining in his final term, and who is elected to serve as an officer or member of the Executive Committee in his final term, may serve as a Director for such additional period of time as necessary to complete a full term on the Executive Committee or office in the Executive Committee.

### (5) BOARD DISTRICTS

*First District* – Counties of Arlington, Caroline, Clarke, Culpeper, Fairfax, Fauquier, Frederick, King George, Lancaster, Loudon, Northumberland, Price William, Rappahannock, Richmond, Shenandoah, Spotsylvania, Stafford, Warren, Westmoreland and Cities of Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, Manassas Park, and Winchester.

*Second District* – Counties of Albemarle, Allegheny, Amherst, Appomattox, Augusta, Bath, Bedford, Botetourt, Buckingham, Campbell, Charlotte, Cumberland, Fluvanna, Greene, Halifax, Henry, Highland, Louisa, Madison, Nelson, Orange, Page, Pittsylvania, Prince Edward, Rockbridge, Rockingham and Cities of Buena Vista, Bedford, Charlottesville, Clifton Forge, Covington, Danville, Harrisonburg, Lexington, Lynchburg, Martinsville, South Boston, Staunton, and Waynesboro.

*Third District* – Counties of Bland, Buchanan, Carroll, Craig, Dickenson, Floyd, Franklin, Giles, Grayson, Lee, Montgomery, Patrick, Pulaski, Roanoke, Russell, Scott, Smyth, Tazewell, Washington, Wise, Wythe and Cities of Bristol, Galax, Norton, Radford, Roanoke, Salem, and Wytheville.

*Fourth District* – Counties of Amelia, Brunswick, Charles City, Chesterfield, Dinwiddie, Goochland, Hanover, Henrico, Lunenburg, Mecklenburg, Nottoway, Powhatan, Prince George and Cities of Colonial Heights, Hopewell, Petersburg, and Richmond.

*Fifth District* –Counties of Accomack, Essex, Gloucester, Greensville, Isle of Wight, James City, King and Queen, King William, Mathews, Middlesex, New Kent, Northampton, Southampton, Suffolk, Surry, Sussex, York, and Cities of Chesapeake, Emporia, Franklin, Hampton, Newport News, Norfolk, Portsmouth, Williamsburg, and Virginia Beach.

## *Sec.8.* ELECTION OF OFFICERS

At the annual meeting of the Board of Directors, it shall elect from among its membership of those eligible to serve the following year: a Chairman, a Vice Chairman, a Treasurer, a Secretary, and a President, who shall serve for the immediate next year beginning July 1, or until such time as their successors are duly elected.

## *Sec 9.* COMMITTEES

The Chairman shall appoint the following committees, with the exception of the Executive Committee:

### (1) EXECUTIVE COMMITTEE

There shall be an Executive Committee composed of the Chairman, the Vice Chairman, the Treasurer, the Secretary, and the immediate Past Chairman. The VA Auto and Truck Dealers PAC Chairman and the Legislative Committee Chairman shall serve as non-voting members. The Executive Committee shall have the authority to act as the Board of Directors on all matters pertaining to the VADA Association when the Board of Directors is not in session. This committee shall also be responsible for reviewing candidates for state and local office and, from time to time, making appropriate VADA appropriations from the VA Auto and Truck Dealers Political Action Committee to help the election of the appropriate candidates. All action of this committee shall be subject to ratification of the Board of Directors. The Executive Committee shall serve as the Board of Directors for the Virginia Automobile Dealers Services, Inc..

**(2) NOMINATING COMMITTEE**

A Nominating Committee shall be appointed by the Chairman. The committee shall consist of five (5) members, three of whom shall be Past Chairmen and two of whom shall be members of the Board of Directors. The Chairman shall call a meeting of the Nominating Committee prior to the annual membership meeting and annual meeting of the Board of Directors and shall be prepared to nominate at the annual Board meeting:

Chairman
Vice Chairman
Treasurer
Secretary

At the annual meeting of the Board of Directors each year, the Chairman shall call for the complete report of the Committee. He shall then take up each nomination in order listed above, calling for nominations from the floor in each instance before closing nominations and voting.

**(3) BUDGET AND FINANCE COMMITTEE**

A Budget and Finance Committee shall be appointed by the Chairman, shall have a minimum of four (4) Directors, and shall be under the direction of the Treasurer. This committee will work with the President in preparing the budget, analyzing the annual audit, analyzing the investment portfolio and changes in the investment portfolio. The committee shall have the authority to make necessary changes in the investment portfolio as deemed necessary from time to time. The committee will be composed of the Treasurer as Chairman, and other members of the board of Directors as appointed by the Chairman.

**(4) MEMBERSHIP COMMITTEE**

A membership committee may be appointed by the Chairman. The committee shall have the responsibility to secure the V.A.D.A. and N.A.D.A. annual membership goals.

**(5) LEGISLATIVE COMMITTEE**

The Legislative Committee shall be appointed by the Chairman. The members of this committee are charged with the responsibility of developing for the Board the areas of legislative activity and other governmental relations, such as matters involving state agencies, in which the Association is interested and should be involved. Working upon suggestions from the dealer body the committee generally adopts the areas of legislative proposals for the Board. The committee may also recommend areas of legal involvement for the Association, as well as suggested areas of governmental relations where the local associations may be most effective.

**(6) CONVENTION COMMITTEE**

A Convention Committee may be appointed by the Chairman.

**(7) EDUCATION COMMITTEE**

An Education Committee may be appointed by the Chairman.

**(8) DEALER OPERATIONS COMMITTEE**

A Dealer Operations Committee may be appointed by the Chairman.

**(9) PAC COMMITTEE**

There shall be a PAC Committee composed of the Chairman, the Vice Chairman, the Treasurer, the Secretary, the immediate Past Chairman, the Legislative Committee Chairman, and the VA Automobile and Truck Dealers PAC Chairman. Other members of the Committee may be appointed by the Chairman of the Board of Directors from time to time shall be deemed appropriate by the Chairman. The committee shall be responsible for reviewing candidates for state and local office and, from time to time, making appropriate VADA appropriations from the VA Auto and Truck Dealers Political Action Committee to help the election of the appropriate candidates. All actions of this committee shall be subject to ratification of the Board of Directors.

## *Sec.10.* EX-OFFICIO COMMITTEE MEMBERS

The Chairman and President shall be ex-officio members of all committees.

## *Sec.11.* ABSENCES-BOARD OF DIRECTORS

Any member of the Board of Directors absent from a meeting shall send a communication to the President stating the reason for his absence and the membership of the Board in attendance shall decide in each instance whether such absence is excused. In the event there are two consecutive unexcused absences on the part of any member of the Board of Directors, his membership on the Board may be declared vacant.

## *Sec.12*. REMOVAL OF DIRECTORS AND OFFICERS.

Except as otherwise provided in the Articles of Incorporation, any director or officer may be removed at any time with or without cause by a two-thirds vote of the Board. A director or officer may be removed only at a meeting called for that purpose following a meeting notice stating that removal of a director or officer is a purpose of the meeting.

## *Sec.13.* BOARD OF DIRECTORS VACANCIES

Any vacancy that may occur on the Board by reason of death, resignation or otherwise, may be filled by the Board of Directors for the unexpired term.

## *Sec.14.* DUTIES OF OFFICERS

### (1) THE CHAIRMAN

The Chairman of the Association shall preside at all meetings of the Association and at all meetings of the Board of Directors. He shall perform such duties as designated in the By-Laws, or as the Board of Directors may assign.

### (2) THE VICE CHAIRMAN

The Vice Chairman of the Association shall assist the Chairman in the performance of his duties, and in the absence of the Chairman, shall be the presiding officer.

### (3) THE TREASURER

The Treasurer of the Association shall serve as Chairman of the Budget and Finance Committee and be responsible for overseeing the fiscal matters of the Association. He shall work with and advise the President on budgeting, investing and other fiscal matters and may co-sign checks with the President. His duties fall within the overall responsibility of the Budget and Finance Committee. He shall make an annual report to the Executive Committee for ratification or change compensatory schedule of all Association employees, outlining the direct and indirect remuneration, insurance protection, retirement benefits and any other benefits.

### (4) THE SECRETARY

The Secretary shall approve and sign minutes of all Board and Executive Committee meetings. He also may sign other official documents on behalf of VADA.

### (5) THE PRESIDENT

The President of the Association shall keep all of the books and records of the Association. He shall secure bond for himself and such staff members as may be designed by the Board of Directors and for such amount as may be determined from time to time by the Board of Directors. He shall attend all meetings of the Board of Directors and of the Association and shall keep full and accurate minutes thereof. He shall give all notices required to be given by the Chairman or Secretary and shall do and perform such work as may be required of him by the Board of Directors. He shall be paid such compensation for his services as may be determined by the Executive Committee. The President shall deposit, or cause to be deposited, all funds of the Association in depositories as may be designated by the Board and all disbursements shall be by voucher or check, in accordance with the written policies of the Board of Directors.

The President shall serve as; administrator of the VADA Group Self-Insurance Plan; treasurer of the Political Action Committee, and president of the Virginia Auto Dealers Service, Inc..

The President, from time-to-time, may permit an Association employee or employees he designates to use the title "Vice President." An Association employee who may use such title shall have no power or authority as an officer of the Association under the Bylaws and no inherent authority under law. The Board, by majority vote, may direct the President to cease permitting an Association employee or employees from using the title "Vice President."

## ARTICLE VII-BY-LAWS

### *Sec. 1.* BY-LAW AMENDMENTS

These By-Laws may be amended only by a majority vote of the Board of Directors. The amendments shall subsequently be published to all members.

## ARTICLE VIII-GENDER

Whenever "his" or "her" is used in these Bylaws, that term shall mean both "his" or "her".

## ARTICLE IX-DISSOLUTION

Upon dissolution of the Association, after full payment or liquidation of all debts, liabilities and obligations of the Association, such funds of the Association which remain shall be distributed as determined by a majority of the Board of Directors in accordance with Virginia law and any section of the Internal Revenue Code applicable to the distribution of assets upon dissolution of an organization exempt from federal income taxation under Section 501(c)(6) of the Internal Revenue Code.