

**BYLAWS
OF
ALLIANCE OF AUTOMOTIVE SERVICE PROVIDERS**

**ARTICLE I
NAME**

The name of this Association shall be Alliance of Automotive Service Providers ("AASP" or "Association").

**ARTICLE II
PRINCIPAL OFFICE**

The principal office of the Association shall be located at 26 East Exchange, Suite 500, St. Paul, Minnesota 55101. All records of the Association, together with its minute book and corporate seal, if any shall be kept in the principal office of the Association.

**ARTICLE III
OBJECTIVES**

Section 1. Objectives. The Association shall be organized and operated to:

- A. Promote the common business interests of those engaged in the automotive service and/or repair industry.
- B. Consider and deal by all lawful means with common problems of management involved in all functions of the automotive service and/or repair industry; foster cooperative action by advancing, by all lawful means, the common business purposes of the Association's Members; and promote activities designed to enable the automotive service and/or repair industry to be conducted with the greatest economy and efficiency.
- C. Afford due consideration to an expression of opinion upon questions affecting the automotive service and/or repair industry.
- D. Cooperate with other industries and organizations.

Section 2. Authorized Activity. Consistent with these Bylaws, the Association shall engage in all lawful activities in furtherance of the Association's objectives.

Section 3. Not-For-Profit. The Association is not organized for profit and shall not declare dividends. No part of the dues, fees, assessments or other monies collected by the Association shall inure to the financial benefit of any Member or private individual.

ARTICLE IV **MEMBERSHIP**

Section 1. Eligibility. The Board of Directors shall have the authority to set standards for membership in the Association and to accept or reject any applicant for membership. Any applicant for membership shall conform to all requirements of these Bylaws. Membership in AASP is a privilege and not an irrevocable right. The Board of Directors shall have the authority to establish dues and assessment of Members.

Section 2. Classes of Membership. AASP shall have the following classes of Members:

- A. **Affiliate Members.** Shall be nonprofit groups, trade associations, and/or organizations with regular members engaged in the automotive service and/or repair industry.
- B. **Affiliate Partners.** Shall be defined as in “A” above, but distinguished by differences of limited member obligations and restricted member rights, as follows:
- Affiliate Partners are encouraged but not obligated to participate in the Regular meetings of the Association. At any Regular Meeting, the delegate(s) of an Affiliate Partner shall have equal voice with Affiliate Members in any discussion.
 - Affiliate Partners shall have no voting rights at any Regular Meeting or other mechanism for conducting a vote.
 - Affiliate Partners shall not be eligible to hold any seat on the Executive Committee.
 - Affiliate Partners shall not have the right to use the names “Alliance of Automotive Service Providers” or “AASP.” Affiliate Partners are allowed to use only the “Partner” version of the AASP logo. In the event an Affiliate Partner withdraws from AASP, or its Affiliate Partner status is otherwise terminated, the Affiliate Partner shall immediately discontinue use of the AASP “Partner” logo.
 - Any income derived (up to the amount of affiliate member dues for the current year) as a result of Affiliate Partner participation in a national benefit program will be paid directly to, and retained by, AASP national.
 - Affiliate Partners shall be eligible for reduced or waived annual dues, as determined by a majority vote of the full board. The Association reserves the right to request and receive membership and financial information from Affiliate Partner to assist in determining this dues amount. The Board reserves the right to deny Affiliate Partner status based on this information.
 - Affiliate Partners may petition the Association at any time to have their membership status changed from Affiliate Partner to Affiliate Member, this change of status again requiring a vote by the full Board.
- C. **Associate Members.** Shall be individuals or firms representing trades or suppliers serving the automotive service and/or repair industry.

- D. Members at Large. Shall be individuals or firms that: (i) are engaged in the automotive service and/or repair business; (ii) are located in a state that does not have an Affiliate Member; and (iii) decide not to join an Affiliate Member in a neighboring state. A Member at Large may not continue as such if an Affiliate Member is established in the state in which such Member at Large has its principal place of business.

Section 3. Termination of Membership. Any membership may be voluntarily surrendered or terminated as follows:

- A. A Member may resign at any time by notifying the Association in writing of such resignation.
- B. The Board of Directors may terminate the membership of any Member for failure to pay dues or assessments, except that the membership of an Affiliate Member shall not be terminated for failure to pay dues or assessments until after the Affiliate Member has been given ninety (90) days' notice that the Member's membership will be terminated at the expiration of such ninety (90) day period for failure to pay dues and/or assessments.
- C. The Board of Directors may terminate the membership of any Member because of the failure of the Member to meet the standards for membership or to adhere to the AASP Code of Ethics, in accordance with the following procedure:
- (i) When grounds which might justify the Board of Directors in terminating a Member's membership come to the attention of the Board, it shall promptly send the Member a written notice (the "Notice") of the charges and of the opportunity for the Member to have a hearing before the Board. The Notice shall inform the Member that the right to a hearing will be deemed to have been waived unless the Member submits a written request for a hearing to the Association at its principal office within thirty (30) days following the date of the Notice. The Member whose membership is the subject of the hearing may submit written evidence to the Board within thirty (30) days following receipt of the Notice in lieu of requesting a hearing. The Board shall be empowered to suspend immediately the Member's membership pending such hearing and the Board's decision.
 - (ii) If requested by the Member, the Board shall hold a hearing at which the Member (and any interested Member) may present evidence and/or argument and be represented regarding the proposed termination of the Member's membership.
 - (iii) The Member whose membership is challenged shall have the burden to prove why such Member's membership should not be terminated.
 - (iv) After a hearing as described above, or after the expiration of thirty (30) days from the date of Notice, if no hearing is demanded, the Board shall

consider the documents, evidence and arguments presented to it, and render a decision.

- (v) Any Member who resigns or whose membership is terminated shall be liable for payment of all dues and assessments applicable to the period of time during which the Member was a Member of the Association.

Section 4. Ownership. All Members will be permitted use of the Association name and logo. Should any Affiliate Member use a name or logo that differs from the name and logo of the Association, such Affiliate Member's name and logo shall include the words "affiliated with the Alliance of Automotive Service Providers." All Members who have withdrawn from the Association, or whose membership in the Association has been terminated, shall immediately discontinue using the Association's name and logo.

Section 5. Voting. Members shall not have the right to vote, except that Affiliate Members shall have the right to representation on the Board of Directors as set forth in these Bylaws.

ARTICLE V **BOARD OF DIRECTORS**

Section 1. Governing Body. The Board of Directors shall constitute the governing body of the Association and shall exercise supervision, control and direction of the Association's affairs, determine the Association's policies or changes thereof within the limits of the Bylaws and actively further the disbursement of the Association's funds.

Section 2. Composition. The Board shall be composed of two representatives designated by each Affiliate Member. At least one of the representatives from each Affiliate Member shall be a member (or the owner or employee of a member) of such Affiliate Member. The Executive Director (or comparable position) of an Affiliate Member is eligible to serve as a representative of such Affiliate Member.

Section 3. Resignation. A representative designated as a member of the Board of Directors by an Affiliate Member may resign at any time by giving written notice of such resignation to the Association and to the Affiliate Member which appointed such representative. A representative who is a member of the Executive Committee and who resigns from the Board of Directors will also be deemed to have resigned as a member of the Executive Committee and as an officer of the Association.

Section 4. Removal. An Affiliate Member shall have the right to remove either or both of its designated representatives to the Board of Directors from time to time by a written notice to the Association. A representative who is a member of the Executive Committee and who is removed from the Board of Directors will also be deemed to have been removed as a member of the Executive Committee and as an officer of the Association.

Section 5. Appointment to Fill Vacancies. An Affiliate Member shall have the right to appoint a successor to any representative of such Affiliate Member who has died,

resigned, or been removed by such Affiliate Member from the Board of Directors; provided, however, that a successor to a representative who was a member of the Executive Committee, may become a member of the Executive Committee only as set forth in Article VII hereof.

ARTICLE VI
BOARD MEETINGS

Section 1. Regular Meetings. There shall be two (2) regular meetings of the Board of Directors held each year. The date, time and place of each regular meeting of the Board shall be determined by the Board upon the recommendation of the Executive Committee. Site selection shall be accomplished in advance of each regular meeting so as to permit adequate notice to the members of the Board.

Section 2. Special Meeting of the Board. Special meetings of the Board may be called by the President or a majority of the members of the Board. Notice of the date, time, place and the business to be considered at a special meeting shall be mailed to each member of the Board not less than thirty (30) days prior to the date of the special meeting.

Section 3. Order of Business. At any and all meetings of the Board, the President shall establish the order of business to be followed. All meetings will be conducted in accordance with Robert's Rules of Order.

Section 4. Cancellation or Postponement. The Board, by two-thirds (2/3) vote of its members, in meeting or otherwise, shall have the power to cancel or postpone a regular meeting of the Board if it believes such action to be in the best interests of the Association.

Section 5. Quorum. At all meetings of the Board of Directors, one-third (1/3) of the members of the Board shall constitute a quorum for the transaction of business; provided that not less than a majority of the Affiliate Members are represented at such meeting.

Section 6. Vote. At all meetings of the Board of Directors, each Affiliate Member (voting through its representatives as a block) shall be allowed the number of votes according to the following schedule:

<u>Number of regular members of the Affiliate Member as of the January 1st Preceding the date of the Board meeting</u>	<u>Number of Votes</u>
0 - 249 members	1 vote
250-499 members	2 votes
500-999 members	3 votes
1000+ members	4 votes

Section 7. Meetings by Electronic Communications Device. A member of the Board of Directors may participate in the Board of Directors meeting by a conference telephone or by other similar communications equipment through which all persons participating in the meeting

may communicate with the other participants and hear each other. All participants shall be advised of the communications equipment, and the names of the participants in the conference shall be divulged to all participants. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.

ARTICLE VII **EXECUTIVE COMMITTEE**

Section 1. Function. The Executive Committee shall be vested with full power and authority to put into effect the resolutions and decisions of the Board and to operate the Association in the periods between Board meetings, and with such other powers as may be set forth in these Bylaws.

Section 2. Composition of the Executive Committee. The Executive Committee shall be composed of those members of the Board of Directors who have been elected as the President, the Vice President, Secretary, and the Treasurer of the Association; the Immediate Past President of the Association (who shall be that person who most recently served as President, prior to the installation of the current President); and the Chair of the Executive Directors (who shall be the representative of the Executive Directors (or comparable position) of the Affiliate Members. Any member of the Executive Committee who fails to attend two (2) consecutive Executive Committee meetings, regular or special, without good reason acceptable to the Executive Committee, shall automatically forfeit his or her position as a member of the Executive Committee and as an officer of the Association (if applicable),

Two persons from any one Affiliate Member may serve on the Executive Committee at the same time if one of the positions served is Chair of the Executive Directors. The members of the Executive Committee shall serve without compensation from AASP.

Section 3. Conduct of Elections. The current President shall preside over the election of the Executive Committee. Nominations shall be made from the floor, except that once the President signifies that nominations for a particular position are closed, no further nominations may be made for that office. In the event of a cancellation or postponement of an annual meeting of the Board, the Board shall be authorized to formulate rules for the election of the Executive Committee.

Section 4. Manner of Casting Votes. If no candidate for a position receives a majority of the votes cast on the first ballot of any election, a second ballot shall be conducted with voting limited to the two candidates having the highest number of votes for such position on the first ballot. In the event such a second ballot produces a tie vote, a third ballot shall be conducted with the same two individuals as candidates. In the event the third ballot produces a tie vote, the tie shall be broken by a vote of the existing Executive Committee.

Section 5. Installation of Committee Members. All newly elected members of the Executive Committee will be installed at the conclusion of the meeting of the Board of Directors at which such election occurred.

Section 6. Term of Office. The President, the Vice President, the Secretary, the Treasurer and the Chair of the Executive Directors shall serve for a two-year term. No person may serve on the Executive Committee for more than 10 years.

Section 7. Removal. The Executive Committee, by a majority vote of its voting members present at any regular meeting or at a special meeting called in accordance with the Bylaws, may recommend that the Board remove a member of the Executive Committee for neglect, refusal to perform his or her duties, or improper conduct; provided that notice of such meeting of the Executive Committee, including the charges against such person, are given in writing to the person whose removal is sought at least thirty (30) days prior to such meeting, and such person or his or her duly appointed representative is given the right to present documents, evidence or argument at such meeting. If the Executive Committee recommends removal, the removal shall be considered by the Board at its next regularly scheduled meeting. At the next regularly scheduled meeting of the Board, the accused person and any interested Member shall have the right to present evidence, documents or argument concerning the removal.

Section 8. Appointment to Fill Temporary Vacancy. In case of the death or resignation of any member of the Executive Committee, the position shall be filled pro-tempore, until the next annual meeting, by appointment of the Executive Committee.

Section 9. Quorum. No Executive Committee action shall be valid unless taken at a regular or special meeting thereof attended by no less than three (3) voting members of the Executive Committee.

Section 10. Voting. Each member of the Executive Committee shall be entitled to one (1) vote on all matters coming before the Executive Committee, except the Chair of the Executive Directors who shall not have a vote. The Executive Committee shall take action by the affirmative vote of a majority of its members present at a duly held meeting.

Section 11. Meetings by Electronic Communications Device. A member of the Executive Committee may participate in the Executive Committee meeting by a conference telephone or by other similar communications equipment through which all persons participating in the meeting may communicate with the other participants and hear each other. All participants shall be advised of the communications equipment, and the names of the participants in the conference shall be divulged to all participants. Participation in a meeting pursuant to this section constitutes presence in person at the meeting.

Section 12. Notice of Meetings. Notice of the date, time, place and the business to be considered at a meeting of the Executive Committee shall be mailed to each member of the Executive Committee not less than thirty (30) days prior to the date of the meeting, unless, in the unanimous determination of the Executive Committee, the subject of a meeting involves an emergency which does not permit the Executive Committee to give such notice.

Section 13. Duties.

- A. **Adoption.** The Executive Committee shall review an estimate of the receipts and expenditures of the Association for the current year. With the assistance of

the Treasurer, it shall prepare and recommend a budget for the next fiscal year to the Board, allocating specific amounts to the several programs, committees or departments of the Association. This budget shall be based upon a conservative estimate of the anticipated receipts and expenditures.

- B. Transfers. The Executive Committee shall cause the expenditures of the Association to comply with the budget approved by the Board.
- C. Annual Audit. The Executive Committee shall cause the books and accounts of the Association to be audited or reviewed at least annually by an accountant or auditor of recognized responsibility, or by the representatives of three Affiliate Members selected by Board.

ARTICLE VIII **COMMITTEES**

The President shall have the power to designate such committees (other than the Executive Committee) as he/she deems necessary to protect and further the interests, purposes and objectives of the Association and its Members. The President shall appoint the members of each committee. Except as is hereinafter provided, members of such committees need not be directors.

ARTICLE IX **OFFICERS**

Section 1. The Officers. The officers of the Association shall be those members of the Executive Committee designated as the President, the Vice President, the Secretary, and the Treasurer.

Section 2. Duties.

- A. President. The President shall preside at all meetings of the Association. The President shall be an ex-officio member of all standing committees and shall be the chief spokesperson of the Association.
- B. Vice President. The Vice President shall perform all the duties of the President, in the absence or during the disability of the President. The Vice President shall perform such other and further duties as may be conferred upon him or her by the President, the Board or the Executive Committee.
- C. Secretary. The Secretary shall record and submit for review all minutes of meetings of the Board. The Secretary shall perform such other and further duties as may be conferred upon him or her by the President, the Board or the Executive Committee.
- D. Treasurer. The Treasurer shall have general supervision over the finances of the Association and shall keep, or cause to be kept, full and accurate records of all

transactions. The Treasurer shall perform such other duties relating to the Association's finances as may be directed by the Board, the Executive Committee or the President.

ARTICLE X
STANDARD OF CARE AND CONFLICTS OF INTEREST

Section 1. Standard of Care. It is the responsibility of each director and officer of the Association to discharge his or her duties in good faith, in a manner the person reasonably believes to be in the best interests of the Association, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

Section 2. Conflicts of Interest. It is the responsibility of each director and officer of the Association not to engage in any act or transaction which conflicts with his or her duties as a director or officer of the Association. A director, or an officer of the Association or any member of his or her immediate family, may enter into a contract or other transaction with the Association and as permitted by law.

ARTICLE XI
INDEMNIFICATION

To the full extent permitted by the Minnesota Nonprofit Corporation Act, as amended from time to time, or by other applicable provisions of law, each person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, wherever and by whomsoever brought (including any such proceeding, by or in the right of the Association), whether civil, criminal, administrative or investigative, by reason of the fact that he or she is or was a Member, director or officer of the Association, or he or she is or was serving at the specific request of the Board of Directors of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Association by the affirmative vote of a majority of the members of the Board of Directors present at a duly held meeting of the Board of Directors for which notice stating such purpose has been given against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding; provided, however, that the indemnification with respect to a person who is or was serving as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise shall apply only to the extent such person is not indemnified by such other corporation, partnership, joint venture, trust or other enterprise. The indemnification provided by this Article 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 provision of the Bylaws.

ARTICLE XII
FISCAL YEAR

The fiscal year of the Association shall commence on the first day of the month of January and end on the 31st day of the month of December of the same year.

ARTICLE XIII
BYLAW AMENDMENTS

Section 1. With Written Notice. The Bylaws of the Association may be altered, amended or repealed by a two-thirds (2/3) vote of the Board of Directors at any duly convened regular or special meeting, provided that written notice of the nature of the proposed alteration, amendment or repeal shall have been sent to the membership with the call for such meeting at least thirty (30) days prior to the date of said meeting.

STP:83312.1/05665-1