

NEW HAMPSHIRE AUTOMOBILE DEALERS ASSOCIATION, INC.
BYLAWS

ARTICLE I
STATEMENT OF PURPOSE

The general purpose for which the corporation is organized and the general nature of the business proposed to be transacted and in which this corporation may be engaged are as follows:

- (a) To protect, foster, and promote the business interests of New Hampshire members; to protect, foster, and promote the interests of the New Hampshire members in its relations with government and the public.
- (b) To promote a spirit of cooperation among the various members who constitute the Association and to promote a high degree of business ethics of members.
- (c) To promote motor vehicle and truck sales and service for the mutual benefit of its members.
- (d) To be of service for the betterment and protection of its membership and their customers.
- (e) To generate, foster, and promote the exchange of information, ideas, methods, and practices among its members in order to enable them to serve the public more advantageously.
- (f) To foster and promote the franchised system of selling and servicing new motor vehicles and trucks; and to oppose any activity which may have the effect of weakening this franchised system.
- (g) To foster and promote the enactment of legislation and the adoption of rules and regulations which benefit its members and the public.
- (h) To oppose the enactment of legislation and the adoption of rules and regulations which discriminate against its members or any one or more of its members or which may have an adverse effect or impact on their businesses or business practices.
- (i) To acquire any grant, gift, purchase, devise, or bequest of real or personal property as the business of this corporation may require subject to such limitations as may be prescribed by law for the benefit of its members and not for pecuniary profit.
- (j) To appoint such officers and agents as the business of the corporation may require and to allow for their suitable compensation.
- (k) To do any and all acts which may be necessary or expedient to accomplish the purpose for which the corporation is formed insofar as the same may be permitted by law and generally to do and perform all things necessary or suitable in the accomplishment of the purposes herein set

forth or that may be recognized as proper or lawful objectives of dealers or associations, all of which shall be constructive and consistent with public interests as well as with the interests of its members.

(l) To exercise all powers and rights that are or may be authorized by law for non-profit corporations now or hereafter enacted; and to engage in any lawful activity, consistent with the corporation's non-profit status, or to refrain therefrom.

(m) References to members in Article I refers only to Franchised and Non-franchised.

ARTICLE II MEMBERS

Sec. 1. Membership in the Association shall be classified as (a) "Franchised", (b) "Non-franchised", or (c) "Associate". For so long as so-called "Gray Market" vehicles are imported and sold in the United States, an individual, partnership, or corporation engaged, wholly or in part, in the business of importing or selling new "Gray Market" vehicles is not eligible for any type of membership in the Association. "Gray Market" vehicles are defined to be foreign-made vehicles which are not originally manufactured to U.S. Government specifications safety and pollution control standards. All franchised and non franchised members shall be properly licensed to conduct business in New Hampshire and shall have a place of business in New Hampshire.

Sec. 2. Franchised member shall mean any franchised individual, partnership, or corporation engaged in selling new automobiles, trucks, motorcycles, farm tractors, motorized recreational vehicles, or construction equipment dealers. Said entity shall be eligible for membership and shall have full voting rights.

Sec. 3. Non Franchised member shall mean any individual, partnership, or corporation that is not a franchised member but is directly engaged in the motor vehicle industry. Said entity shall be eligible for membership and shall be known as a Non-franchised member with full voting rights. "Directly engaged in the motor vehicle industry" shall include those businesses engaged in used motor vehicle sales, motor vehicle service, autobody repair, and motor vehicle parts sales, and franchised power equipment dealers, but shall exclude those businesses selling gasoline.

Sec. 3a The types of New Hampshire businesses that can become "members" of the Association as set forth in ARTICLE 2, Sec. 2 and 3 shall include:

- franchised automobile sales;
- franchised heavy duty truck sales;
- franchised motorcycle/OHRV sales;
- franchised farm tractor sales;
- franchised motorized recreational vehicle sales;
- franchised construction equipment sales;
- used motor vehicle sales;
- motor vehicle service;

autobody repair;
motor vehicle parts sales;
franchised power equipment sales

Sec. 4. Any individual, partnership, or corporation which does not qualify as a Franchised or Non-franchised member but which is associated with the motor vehicle dealer business may become an Associate member with no voting rights. This Section excludes those businesses selling gasoline.

Sec. 5. The members collectively shall be known as the Association, and any member may be an individual, partnership, or corporation. If a member is a corporation or partnership, it may be represented at meetings of the members by a duly authorized Director, Officer, or employee, and if such individual represents a Franchised or Non-franchised member, he shall be entitled to exercise the vote to which such incorporated body or partnership, as the case may be, is entitled.

Sec. 6. All applicants for membership that are required by State law to obtain a Dealer's Bond may obtain the required bond through the Association as permitted under RSA 261:101. Members who own more than one business under one corporation are entitled to NHADA memberships for each retail dealer license held as defined in RSA 261:103-a.

Sec. 7. Annual dues, payable in advance by all members, shall be fixed as to the amount by the Board of Directors and shall be calculated on a pro-rata basis of the Association's fiscal year as set forth in ARTICLE VIII herein, with a minimum dues amount established by the Board of Directors.

Sec. 8. Members who fail to pay their dues within 30 days from the due date shall be notified by the Treasurer or the designee of the Board of Directors; and if payment is not forthcoming within the next 30 days, the Association rights of that member shall be suspended.

Sec. 9. A member may resign at any time by giving written notice to the Association addressed to its headquarters; but in the event that a member is in arrears in any of his obligations to the Association, his resignation shall not be effective until such obligations are fulfilled unless the board votes to accept their resignation; however said acceptance of resignation does not relieve the member of obligations.

Sec. 10. This Association, having been formed for the approved stated purposes, any member; including associate members; or designated representative of a member engaging in any activity in violation of any provision of these Bylaws or who fails to abide by an AutoCAP panel decision after submitting to arbitration, may be suspended or expelled by a 2/3 vote of a valid quorum of the Board of Directors after due notice and hearing.

Sec. 11. Any member suspended or expelled during a fiscal year may not renew its membership unless reviewed and approved by a 2/3 vote of a valid quorum of the Board of Directors after due notice; unless the Board of Directors as part of the suspension, permitted a member to automatically renew its membership upon full payment of dues and Legal Defense Fund fees or

other fees as ordered by the Board of Directors.

Sec. 12. The board of directors reserves the right to reject an application for membership for any and all valid reasons, including but not limited to, applicant engaging in any activity that would be considered in violation of any provisions of these bylaws.

ARTICLE III MEETINGS OF MEMBERS

Sec. 1. ANNUAL MEETING. An Annual Meeting of the Association for the purpose of reviewing annual reports and/or the transaction of other lawful business shall be held within 45 days after the end of the fiscal year or at such time thereafter that the Directors deem convenient and feasible.

Sec. 2. SPECIAL MEETINGS. Special Meetings of the members may be called by the majority vote of the Directors or upon written request of 10 percent of the Franchised and Non-franchised members in good standing.

Sec. 3. NOTICE OF MEMBERS' MEETING. A written announcement of each meeting of the members stating the date, place, time thereof, and the purpose or purposes for which the meeting is called shall be given by the Secretary or his designee at least 30 days before said meeting to each member of the Association appearing on the records of the Association at the close of business on the last day of the month preceding such notice by delivering same, by faxing same, by electronically mailing same, or by mailing it postage prepaid addressed to each member at his, her, or its address as appearing upon the records of the corporation.

Sec. 4. QUORUM AND VOTING. At any meeting or proxy of the Association, 10 percent of the total number of Franchised and Non-franchised members of the Association present in person or represented by proxy shall constitute a quorum for the transaction of business. If, at any meeting or proxy properly convened, a number less than a quorum is present or represented by proxy, then the meeting or proxy may by vote be adjourned to another time, and the meeting or proxy may be held as adjourned. The Secretary or his designee shall notify the members of the adjourned meeting or proxy giving time and place thereof. At all meetings or proxies of the Association, each Franchised and Non-franchised member shall be entitled to one vote; and the right to vote shall be exercised in person or represented by proxy. A member of the Association whose assessments or annual dues are in arrears at the time of the Annual or Special meeting or proxy shall not be entitled to vote at such meeting or proxy. The words "present in person" or "represented by proxy," when used in these Bylaws, mean: In the event that such a member of the Association is an incorporated body, such member shall be deemed "present in person" or "represented by proxy" at any meeting or proxy of the Association when it is represented thereat by any duly authorized Director, Officer, or employee of such member; in the event that a member of the Association is a partnership, such member shall be deemed "present in person" or "represented by proxy" when it is represented by any partner or any duly authorized employee of such member. Such duly authorized Director, Officer, partner, or employee shall be entitled to exercise the vote to which such incorporated body or partnership, as the case may be, is entitled

at any meeting or proxy of the Association.

Sec. 5. Associate members shall be entitled to all the services and privileges of the Association provided they conform to the Bylaws, rules, and regulations of the Association and have paid all obligations thereto.

ARTICLE IV BOARD OF DIRECTORS

Sec. 1. The management of the Association shall be vested in a Board of Directors elected by the Franchised and Non-franchised members of the Association and shall exercise any of the powers of the Association, subject to the various provisions of law, the Association charter, and these Bylaws. The Board of Directors shall have the control and management of the affairs of the Association with the ultimate authority to engage and discharge employees and agents of the Association, fix salaries, admit, suspend, or expel members in conformity with these Bylaws, appoint committees, establish Association policies, and do everything necessary and desirable in the conduct of the business of the Association.

Sec. 2. The Board shall consist of twelve (12) elected Directors as follows:

Six (6) Directors shall be Franchised auto dealers and nominated by the Board of Directors and elected by Franchised members of the Association.

One (1) Director shall be elected at large by and from those members who are exclusively heavy duty truck, bus, or those members who a majority of their business consists of sales of Class 8 equipment.

One (1) Director shall be elected at large by and from those members who are exclusively franchised motorcycle or motorized off highway recreational vehicle dealers.

One (1) Director shall be elected at large by and from those members who are used automobile dealers and who are in the Non-franchised category of membership.

One (1) Director shall be elected at large by and from those members who are automobile service facilities and who are in the Non-franchised category of membership.

Two (2) Directors shall be elected at large by and from those members who are in the Franchised or Non-franchised category of membership as defined in these Bylaws, ARTICLE II, Sec. 2 and 3.

The Board of Directors shall also include the President, past Chair, and the current New Hampshire representatives to the Board of Directors of the National Automobile Dealers Association, the American International Automobile Dealers Association (AIADA), and the American Truck Dealers (ATD), and such members as may be designated honorary by the Board of Directors from time to time and are granted full voting rights. The ATD and AIADA

representatives must otherwise qualify as members of the Association as set forth in these Bylaws, ARTICLE II, Sec. 2.

The chairman of the board with the board's approval has the authority to appoint one or two Franchised or Non-Franchised members for a single term in order to fill a special need or circumstance. This pro tem director's term shall expire at the end of the fiscal year, however if the special need still exists, the director may be reappointed by the next chairman with the approval of the board.

Sec. 3. No elected Directors shall serve more than five continuous years unless: (a) they are completing the unexpired term of a Director that did not complete a five year term; (b) they served as vice chair in their fifth year and have been elected as chair to serve the following year or (c) they served as chair in their last year and are eligible to serve as the Immediate Past Chair.

Sec. 4. QUALIFICATIONS. Each Director shall be a Franchised or Non-franchised member of the Association except that, where a member is an incorporated body or partnership, a representative of such incorporated body or partnership may be a Director.

Sec. 5. REGULAR MEETINGS. A regular meeting of the Board of Directors shall be held in every year as soon as possible after the Annual Meeting of the members. The full Board of Directors shall meet, either in person or by telephonic conference, at least six times per year and may meet more often as determined by the Board of Directors. Any Director who has missed three consecutive meetings of the regular meetings of the Board of Directors, without just cause, shall be considered as having automatically resigned, and an election to fill the vacancy shall be ordered in the same manner as for other vacancies.

Sec. 6. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called at any time by the Chair and shall be called by the Secretary or his designee whenever three Directors request him in writing to do so.

Sec. 7. NOTICES. Notice of every regular or special meeting of the Board of Directors shall be given in writing by the Secretary or other Officer calling the meeting. Notice mailed, faxed, or electronically mailed to the Directors' usual or last-known place of business at least three days before the meeting date shall be sufficient notice in all cases. Notices of the Directors' meetings need not state the purpose of the meetings or the business to be transacted. The Directors shall instruct the Secretary to arrange for all members to be given, in writing, before their next meeting a full and ample report of all matters coming before them and action taken by the Board at the previous meeting.

Sec. 8. QUORUM. One-half plus one of the Board members shall constitute a quorum for the transaction of business, but less than a quorum may by vote adjourn the meeting to another time; and the meeting may be held as adjourned and notice of the adjourned meeting may be sent to all Directors.

Sec. 9. COMPENSATION. All services of the Directors and committees shall be rendered without compensation. The Board of Directors may reimburse their members and committee

members for out-of-pocket expenses in the conduct of Association business.

Sec. 10. VACANCY. Any vacancy arising among the elected Board of Directors shall be filled by the Board of Directors. They shall appoint a new Director for the unexpired term of his predecessor in office.

Sec. 11. EXECUTIVE SESSIONS. The Chair or presiding Officer at a regular or special meeting of the Board of Directors may, on his own initiative, and shall, upon the request of three Directors, call the meeting into Executive Session with request to any matter under consideration or to be considered in which case all persons other than members of the Board in attendance shall be excluded unless otherwise so invited to remain in attendance.

Sec. 12. EXECUTIVE COMMITTEE. The Executive Committee shall consist of the Officers of the Association; the Immediate Past Chair; three sitting Directors appointed by the full Board; the Chairs of the NHADA Workers' Compensation Trust, and NHAD Services, the President of the New Hampshire Automotive Education Foundation; the NADA Director; and if applicable the AIADA Director and the ATD Director. During the intervals between the meetings of the Board of Directors, the Executive Committee shall meet and make recommendations to the full Board of Directors.

ARTICLE V PROCEDURE

Sec. 1. RULES OF ORDER. Roberts Rules of Order shall govern deliberations of the Association at regular and special meetings of the members and regular and special meetings of the Board of Directors but need not govern the deliberations of standing and special committees.

Sec. 2. The Board of Directors may prescribe additional rules of procedure for conduct of meetings of the members of the Board of Directors not inconsistent with Roberts Rules of Order.

ARTICLE VI OFFICERS

Sec. 1. The Officers of the Association shall consist of a Chair, Vice Chair or Vice Chairs, Treasurer, Secretary, President, and such other Officers as the members prescribe or appoint in conformity with these Bylaws. The same person may occupy more than one office, but no Officer shall execute, acknowledge, or verify any instrument in more than one capacity if such instrument is required by law or by these Bylaws to be executed, acknowledged, or verified by any two or more Officers. Unless otherwise prescribed in these Bylaws, each Officer shall be a Franchised or Non-franchised member except that where a member is a corporation or a partnership, a representative of such corporation or partnership may be an Officer. Each Officer shall hold office for the term of one year until his successor is elected and qualified.

Sec. 2. CHAIR OF THE BOARD. The Chair of the Board (Chair) shall be elected by and from the Board of Directors and shall be an elected director. He shall have general supervision and

direction of the affairs of the Association subject to the authority of the Board of Directors and shall preside when present at all meetings of the members of the Board of Directors.

Sec. 3. VICE CHAIR. The Vice Chair shall be elected by and from the Board of Directors, shall be an elected director and shall perform such duties as are usually incident to that office or as may be delegated to him by the Chair or the Board of Directors. If there is more than one Vice Chair, said Vice Chairs shall serve in the order elected. The Vice Chair shall exercise the authority and shall assume and discharge the duties and responsibilities of the Chair in his absence or inability to act and otherwise as may be assigned or delegated to him by the Chair. If the Vice Chair is unwilling or unable to serve as the acting Chair on such occasion, he shall notify the Secretary of the corporation who shall as soon thereafter as practicable convene a special meeting of the Board of Directors for the purpose of filling the vacancy of the office of Chair. The Board of Directors shall at such meeting appoint one of its members to fill such vacancy.

Sec. 4. TREASURER. The Treasurer shall be elected by the Board of Directors subject to the supervision and control of the Board of Directors. He shall have general charge of the financial affairs of the Association and need not be a Director. If the Treasurer is not an elected Director by the Association voting members, he shall have motion or voting authority while serving as Treasurer of the Association. He shall cause to be kept regular books of account which shall be open at all times to any members of the Board of Directors, direct the handling of all funds and securities of the Association and have these deposited in the name of the Association, and he shall render a report of the financial condition of the Association at each Annual Meeting thereof. He shall perform such other duties and have such other powers as the Association or the Board of Directors shall from time to time designate. The Treasurer and office staff, who have custody of funds and securities, shall give bond for such sum as shall be designated by the Board of Directors, the premium for such bond being paid by the Association. The Treasurer shall sign all checks for the disposal of the funds of the Association. He shall see that regular accounts are kept and that a report is made to the Directors whenever required. He shall have power to borrow sums to such extent as may be stipulated by special action of the Board of Directors.

Sec. 5. SECRETARY. The Secretary shall be elected by the Board of Directors but need not be a member of the Board. If the Secretary is not an elected Director by the Association voting members, he shall have motion and voting authority while serving as Secretary of the Association. He shall attend all meetings of the members of the Board of Directors and shall keep an accurate record of the votes and the records of the business transacted thereat. He shall be responsible for issuing all Association notices, and he shall perform such duties and have such other powers as the Association or the Board of Directors shall from time to time designate. In his absence at any meeting, a Secretary *pro tempore* shall be elected to perform his duties.

Sec. 6. PRESIDENT. The Board of Directors shall employ a salaried staff head who shall have the title of President and whose terms and conditions of employment shall be specified by the Board. The Association Executive Committee shall review the President and make recommendations to the Board prior to the Annual Meeting. He shall be responsible for all management functions and shall manage and direct all activities of the Association as prescribed

by the Board of Directors, and he shall be responsible to the Board. He shall employ and may terminate the employment of members of the staff necessary to carry on the work of the Association and fix compensation and compensate within the approved budget. He shall define the duties of the staff, supervise its performance, establish, guide, and delegate those responsibilities of management as shall in his judgment be in the best interests of the Association. The President shall further be authorized to act as a spokesman for the Association before the general public and any and all public bodies. Any elected Officer of the Association may delegate to the President or the Association staff any duty of his elected office prescribed herein except that such delegation shall not relieve the elected Officer of the responsibility for the performance of such duty.

ARTICLE VII COMMITTEES

The Chair, subject to the approval of the Board of Directors, shall annually appoint such standing, special, or ad hoc committees as may be required by the Bylaws or as he may deem advisable and necessary to carry out the instructions of the Board of Directors and the purposes of the Association. Members of such committees need not be members of the Board of Directors.

ARTICLE VIII FISCAL YEAR

Sec. 1. The fiscal year shall end on April 30 of each year.

Sec. 2. The books of the Association shall be audited annually by a Certified Public Accountant employed by the Board of Directors, and the auditor's report shall be available to the members.

ARTICLE IX INDEMNIFICATION

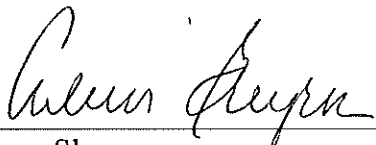
The Association shall indemnify each Director, Officer, and employee against all liabilities and related expenses incurred by him in connection with or arising out of any claim, action, suit, or proceeding pending on the effective date of this provision, or thereafter brought against him or her by reason of any act or omission in the performance of his official duties as such Director, Officer, or employee of the Association (whether or not he continues to be a Director, Officer, or employee at the time of incurring such expenses or liability). Such expenses and liabilities shall include, but not be limited to, court costs and attorneys' fees, judgments, and the cost of reasonable settlements. The Association shall not, however, indemnify such Director, Officer, or employee against either expenses or liabilities with respect to matters as to which he shall be, as determined by the Board, or at final adjudication, liable for gross negligence or unlawful conduct in the performance of his official duties.

ARTICLE X
AMENDMENT OF BYLAWS

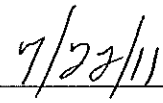
These Bylaws may be altered, amended, or repealed by a 2/3 vote of the members of the Association present and voting, or voting by proxy, at any annual or special meeting of the Association members; provided, however, these Bylaws shall not be altered, amended, or repealed unless notice of the proposed alteration, amendment, or repeal shall have been contained in the notice of such meeting. Any amendment offered from the floor at such meeting of the Association members which is germane to any amendment or resolution specified or referred to in the notice for such meeting may be acted upon with the same force and effect as though set forth in the aforementioned notice. References in these Bylaws to the masculine shall be construed to include the feminine wherever the context so requires.

ADOPTION

These Bylaws, as amended, have been adopted at a special meeting of the members held March 31, 2011 and are effective as of that date.



Eileen Sleeper
NHADA Secretary



Date