

AUDI CLUB NORTH AMERICA, INC. BYLAWS

ARTICLE I. Name.

1. Name. The name of the organization shall be the Audi Car Club of North America, Inc., dba: Audi Club North America, (the Club). The registered office of this organization shall be located and the records of this organization shall be kept at such place as shall be determined from time to time by the Board of Directors.

ARTICLE II. Powers and Purpose.

2.1. Powers. This organization is organized exclusively as a not-for-profit organization under section 501(c)(3) of the Internal Revenue Code. The Club shall be empowered to conduct business and activities necessary to carry out the general objectives of the Club as set forth in the Certificate of Incorporation, issued under the statutes of the State of Minnesota and in these bylaws.

2.2. Purpose. The purpose of the Club is to enhance the Audi ownership experience for our members by teaching driver/safety education and providing technical, care/maintenance tips, product information, parts discounts, free classified ads for members and to promote camaraderie through regional/national activities and events.

ARTICLE III. Memberships, Due and Duties.

3.1. Definitions. An "Audi" automobile is defined as an automobile manufactured by Audi AG.

3.2. Active Members. Active membership shall be restricted to owners, lessees, or co-owners of Audi automobiles, who are 18 years of age or older, and are members in good standing of The Club, and to other persons described in Section 3.3 below.

3.3. Family Member. A person, 18 years of age or older, joining in conjunction with an active or associate member. A family member must reside in the same house as the active member. Only one family member may be included in the membership.

3.4. Associate Members. A person, 18 years or older who does not own an Audi but has an interest in Audis. Associate members enjoy all the benefits of the club.

3.5. Honorary Member. Any person who, on the affirmative vote of the Board of Directors, is deemed to merit recognition for outstanding interest in or service to the club. Such membership shall be limited to one year but may be renewed upon the affirmative vote of the Board of Directors. Annual dues are waived for the twelve-month period following the date of designation.

3.6. Life Member. A life member may be a person who had paid lifetime dues or a person who, upon at least $\frac{3}{4}$ vote of the Board of Directors, is deemed to have performed such extraordinary service to the club as to warrant this honor. A life member shall be

considered as an active member and may name a family member. Dues are waived for life for the member and the family member.

3.7. Membership Year. Membership will commence upon payment of dues and continue for the term purchased by the payment. The Club office shall send each member one billing for renewal dues on or about the date that the initial or subsequent dues payments expired. Members who are in arrears for more than 45 days shall be dropped from membership.

3.8. Privileges and Voting Rights. Active and associate members in good standing shall be entitled to exercise voting rights and are entitled to all privileges of the Club. Honorary members shall not be entitled to vote or hold elective national office. Ballots will be mailed and/or distributed electronically to active members to elect the Board of Directors per Article VIII or for purposes of amending these bylaws per Article XI.

3.9. Suspension and Expulsion. Any member of a chapter may be suspended by a 2/3 vote of their duly elected chapter Board of Directors or by 2/3 votes of the ACNA Board of Directors for actions adverse to the general objectives or best interests of the Club.

Upon written notice of such action, the suspended member shall be afforded reasonable opportunity to be heard in person by the chapter Board of Directors suspending such member.

The member suspended by his or her chapter board is entitled to a review of the action by the ACNA Board of Directors. The ACNA Board of Directors may thereafter continue the suspension, expel the member, or take whatever action, in its sole discretion that it deems appropriate under the circumstances, and its decision shall be final.

ARTICLE IV. Meetings

4.1. Meeting Place. Meetings shall be held at such locations as are determined from time to time by the Board of Directors. The Board of Directors shall hold regular meetings at a date and time to be set by the Board. No notice shall be required for regular meetings.

4.2. Annual Report. There shall be an annual report presented no later than the second quarter of the calendar year by the Board of Directors. Highlighting the actions of officers, directors, and committees, and the transaction of other business, including financial statements. The report shall be distributed by mail and/or electronic means to all active members.

4.3. Special Meetings. Special meetings of the members of this organization may be called at any time by the President, the Board of Directors by majority vote, or upon written request from at least 5% of the membership of the Club. Anyone entitled to call a special meeting of the members must make written request to the President to call the meeting, setting forth time and purpose thereof, to be held no later than 90 days after receiving the request. If a special meeting is demanded by the members, the meeting shall be held in the county where the current Club office is located. If the Secretary fails to give notice of the special meeting within 30 days from the date on which the request is received by the President, the member(s) who requested the meeting may fix the time and place of the meeting and give notice thereof at least 30 days in advance of the

special meeting date. The business transacted at the special meeting is limited to the purposes stated in the notice of the meeting. Any actions resulting from a special meeting must be ratified by a 50% majority of the membership then voting in a special National election to be held not more than 60 days following the meeting.

4.4. Proxy Voting. The notice of any type of meeting at which members may vote by proxy shall so inform the members and shall describe the procedure for appointing, verifying and counting proxies.

4.5. Voting Quorum. At all types of meetings of the members, each active member shall be entitled to cast one vote on any question coming before the meeting. Members may vote by proxy. The presence of 5% of the Club's membership in person or by proxy shall constitute a quorum of any meeting thereof. If less than a quorum is represented, no business will be conducted and the meeting will be adjourned. A majority vote of the members present and entitled to vote at any meeting at which a quorum is present shall be sufficient to transact any business. When any meeting of the members is adjourned to another time and place, notice of the adjourned meeting need not be given other than by announcement at the meeting at which the adjournment takes place.

ARTICLE V. Directors.

5.1. Number and Method of Election. The Board of Directors of this Club shall consist of at least three but not more than nine persons. The total number of Directors shall be evenly divisible by three. The Directors of this organization shall be elected by eligible voting members.

5.2. Term. Each director of this organization shall be elected to serve a term of not more than two three-year terms and only will be eligible for reelection following a 3-year absence from the board.

5.3. Vacancies. Any vacancies occurring in the Board of Directors shall be filled by a vote of the majority of the directors then in office. Members appointed by the Board to serve an unexpired term of less than three years are eligible to serve two three year terms as elected by the membership.

5.4. Management of Affairs of Organization. The property, affairs, activities, and concerns of the organization shall be managed by the Board of Directors, which, without limiting the scope of the foregoing, shall have the power to appoint the officers of the Club from among the elected Directors of the Board, to appoint and direct agents, to grant general or limited authority to officers, employees and agents of the Club, to make, execute and deliver contracts and other instruments and documents in the name of and on behalf of the Club. In addition, the Board of Directors may exercise all the powers of the Club and do all lawful acts and things which are not reserved to the members, by law, or the bylaws of the Club. The Board of Directors shall interpret the bylaws.

5.5. Quorum. At every meeting of the Board of Directors, 2/3 of the Board of Directors shall constitute a quorum. A vote of a majority of the directors present at any such meeting at which a quorum is present shall be an act of the Board of Directors. In the absence of a quorum, the President may adjourn any meeting from time to time until a quorum is present.

5.6. Presiding Officer. The President shall preside at all meetings of the Board of Directors. In the absence of the President, the Vice President shall preside. In the absence of both, a temporary presiding officer may be chosen by the members of the Board of Directors present. In the absence of the Secretary a temporary secretary shall be appointed by the presiding officer of the meeting.

5.7. Resignation. Any director may resign at any time either by oral tender of resignation at any meeting of the Board of Directors or by such tender to the President, or by giving written notice thereof to the President. Any resignation shall be effective immediately unless a date is specified for it to take effect. Resignation of a director is effective the date of notification to the President.

5.8. Attendance. Officers and Directors must attend seventy-five percent of scheduled meetings of the Board of Directors each fiscal year. Absences beyond seventy-five percent may be excused by a majority vote of the Board of Directors for extenuating circumstances.

ARTICLE VI. Officers.

6.1. Officers and Tenure. The officers of this Club shall be as set forth in these Bylaws. Officers shall be nominated and elected by 2/3 vote of the Board of Directors from among the Directors to serve for terms of one year. Any officer may at any time be removed by the Board of Directors with just cause. No person may hold more than one office at the same time. Any officer may be re-elected to serve two additional years in the same office for a maximum of three years.

6.2. President of the Board. The President of the Board shall be responsible for the general supervision, direction and management of the affairs of the Club. The President may execute on behalf of this organization all contracts, deeds, conveyances, and other instruments, which may be required or authorized by the Board of Directors for the proper and necessary transaction of the business of this organization. The President shall preside at all meetings of the Board of Directors and shall be an ex-officio member of all standing committees of the Board.

6.3. Vice-President. The Vice President shall assist and/or perform the duties of the President in the latter's absence. Actions taken by the Vice President on behalf of the Club, whenever the President is unable to serve shall have the same force and effect as if they were executed by the President.

6.4. Secretary. The Secretary shall keep accurate minutes of all meetings of the Board of Directors and shall be the custodian of the records, documents and papers of this Club. The Secretary shall supervise the safe keeping of all Club records. The Secretary shall have and may exercise any and all other powers and duties pertaining to law, regulation or practice to this office, or imposed by these Bylaws. The Secretary shall also perform such other duties as may be assigned to the Secretary from time to time by the Board of Directors.

6.5. Treasurer. The Treasurer shall be responsible for maintaining accurate financial records for this Club and safeguarding of Club assets. The Treasurer shall present a report of the organization's financial transactions and status to the Board of Directors at its monthly meetings, annually to all members and from time to time shall

make such other reports to the Board of Directors, or members, as requested. The Treasurer shall be responsible for the timely filing of required federal, state and local tax returns. The Treasurer will regulate the investment of Club funds with the advice of a Finance Committee appointed by the board and insure that no single financial institution has deposits on hand in excess of FDIC limits. The Treasurer shall perform such other duties as may be assigned to them from time to time by the Board of Directors.

6.6. Executive Director. The Executive Director shall be appointed by the Board of Directors and shall perform such day-to-day duties as determined by the Board of Directors.

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

ARTICLE VII. Executive Board and Committees.

7.1. Executive Committee. The President, Vice President, Secretary, Treasurer and Executive Director, as nonvoting member, shall constitute the Executive Committee. The Committee shall be responsible for proper conduct of the administrative affairs of the Club, the proper functioning of the Committees, and shall ensure compliance with the Bylaws. All decisions of the Committee shall be a majority vote unless otherwise provided by these Bylaws.

7.2. Standing Committees. The Board of Directors shall appoint all standing committees and ad hoc groups as may be specified in resolutions adopted by a majority of the members of the Board of Directors. Each such committee shall have such duties and responsibilities as are granted or delegated to it by the Board of Directors. Committee members need not be directors of the Club.

Standing committees include:

- Nominating
- Communications and marketing
- Policies and Procedures
- Membership
- Driving Schools
- Finance
- Audit
- Ethics
- Sponsorship

7.3. Meetings and Voting. Meetings of any committee may be held at such time and place as are announced by the committee. Meetings of any committee may also be called at any time by the chairperson of the committee or by the President, on at least five days' notice by mail, email, or two days' oral notice by telephone or in person. The presence of a majority of the membership of any committee shall constitute a quorum at any meeting. A majority vote of the members of a committee shall be sufficient for the transaction of the business of such committee. Committee actions, excepting the Executive Committee, are not binding until approved by the Board of Directors.

ARTICLE VIII. Election of Directors.

8.1 Nominating Committee. The Board of Directors shall appoint a nominating committee, consisting of active members, which may nominate candidates for the Board of Directors. The nominating committee shall strive to maintain geographic diversity within the Board. All nominees for a Board of Director position must have been a member in good standing for at least two years prior to the annual meeting. The list of candidates will be included on a ballot that will be mailed and/or distributed electronically to all members. The list of candidates, with biographies, will be posted on the club website.

8.2. Conduct and Results of Election. A bonded third party agency shall be hired to determine if each voting member was a member in good standing at the date of the election. The bonded third party agency will count the ballots and certify the results to the Board. Upon election to the Board of Directors, the Secretary shall notify each person of their election. The third party agency will maintain the documentation of the election for a period of one year after the election date. The results of the election will be posted on the Club web-site and in the next issue of the Club magazine.

ARTICLE IX. Indemnification.

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

(a) a director, officer, employee or member of a committee of this organization, or

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

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

9.2. Insurance. This organization may, to the full extent permitted by applicable law from time to time in effect, purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or member of a committee of this organization against any liability asserted against such person and incurred by such person in any such capacity.

ARTICLE X. Miscellaneous.

10.1. Fiscal Year. The fiscal year of this Club shall begin on January 1 and end on the succeeding December 31.

10.2. Electronic Communications. A member, director or committee member may participate in a meeting by any means of communication by which such person, other persons so participating, and all persons physically present at the meeting may simultaneously hear each other during the meeting. Participation in a meeting by electronic means constitutes presence in person at the meeting. A conference among members, directors, or committee members by any means of communication through which such persons may simultaneously hear each other during the conference is a meeting of the members, Board of Directors, or committee, as the case may be, if the same notice is given of the conference as would be required for a meeting, and if the number of persons participating in the conference would be sufficient to constitute a quorum at a meeting. Participation in a meeting by that means constitutes presence in person at the meeting.

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

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

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

10.6. Dissolution. Upon the dissolution of the organization, assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of

the Internal Revenue Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.

ARTICLE XI. Amendment of Bylaws.

11.1. Majority Vote. These Bylaws may be amended by a majority of the votes cast in a referendum of the active members, in a manner as directed by the Board of Directors.

11.2. Proposed Amendments. The Board of Directors or a consortium constituting at least 5% of the membership, of which not more than 1/3 shall be members from one chapter, may propose amendments to these Bylaws. Amendments proposed by the active members shall be submitted to the Secretary in writing and shall be signed by each of the active members requesting the amendment.

11.3. Ballots. Votes for or against a proposed amendment to these Bylaws shall be cast in a manner approved by the Board of Directors and must be signed and dated by the member, with the printed members name and membership number. All ballots shall be mailed to the Club office and must be received no later than the date set forth in the notice of referendum. Ballots not executed and presented in accordance with the above shall not be counted.

11.4. Tabulation of Votes. A third party agency shall be hired to tabulate the votes cast in the referendum within fifteen days of the due date and certify the results to the Board.

11.5. Notice of Vote or Referendum Results. The Secretary shall publish the results of the referendum. The results will be posted on the Club web-site and in the next issue of the Club magazine.

ARTICLE XII. Chapters

12.1. Chapter Status. The Executive Board may, in its discretion, grant a charter to any group of 12 or more eligible Audi owners active members desirous of establishing a chapter of the Club and who subscribe to the general objectives of the Club and agree to adopt no rules, regulations or bylaws inconsistent with these bylaws. The chapter will not be deemed active until the chapter has executed an "Application for Inclusion" as required by the Internal Revenue Service. The application must be signed by at least 5 active incorporating members or four elected members of the Chapter's Board of Directors. All members of a chapter must be members of the Club.

12.2. Chapter Bylaws. Chapter bylaws must be approved by the Club as required by the Internal Revenue Service. The Club must also approve any amendments to the original bylaws before submission to the Chapter membership for ratification.

12.3. Chapter Dues. Once established, each chapter may provide in its own bylaws for assessment dues for its own account.

12.4. Suspension. Any chapter may be suspended or have certain privileges revoked by a 2/3 vote of the Board of Directors of the Club for infractions of the ACNA Code of Ethics, national rules, regulations, or for action inimical to the general or best interest of the Club. Upon written notice of such suspension or revocation of privileges, the officers of the affected chapter shall be afforded reasonable opportunity to be heard, in person or through a representative, by the Executive Committee, Board of Directors, or a committee appointed by the Board. No suspension or revocation action by the Board or its appointed committee shall continue beyond the next regularly scheduled board meeting. The Board of Directors may then continue the suspension and/or revocation for a definite time, terminate the suspension and/or revocation or recall the charter, and its decision shall be final. Should any Chapter violate the conditions of the "Application for Inclusion" or regulations of the Internal Revenue Service as applied to 501 (c)(3) not-for-profit organizations, Chapter revocation is immediate as to the date of the violation. The revocation for violations of provisions and rules promulgated by the Internal Revenue Service is not subject to appeal. For purposes of this section actions of an individual member(s) of a Chapter shall be deemed to be an action of the Chapter. Revocation of a Chapter charter will not affect the membership status of the Chapter members. Such members may form a new Chapter and apply for inclusion or join other Chapters.

CERTIFICATION

I, I do hereby certify that I am the duly elected, qualified or acting Secretary for the Audi Car Club of North America, and that the foregoing is a true and correct copy of the bylaws adopted by the Board of Directors on December 7, 2009.

Mary Ayers



Secretary