



NATIONAL POWERSPORTS DEALER ASSOCIATION

BYLAWS

This instrument constitutes the Bylaws of National Powersports Dealers Association, incorporated as a nonstock corporation under the laws of the State of Delaware, adopted for the purpose of regulating and managing the internal affairs of the corporation.

ARTICLE I

Name and Principal Offices

- Section 1. The name of this organization shall be NATIONAL POWERSPORTS DEALER ASSOCIATION, hereinafter “NPDA” or “the Association”.
- Section 2. The principal office of the Association shall be at 435 S. Washington St., Falls Church, VA 22046, or in such other place within the United States as may be determined by its Board of Directors.

ARTICLE II

Purpose

- Section 1. NPDA shall operate as a nonstock corporation under the provisions of the Delaware General Corporation Law (“DGCL”).
- Section 2. NPDA shall operate exclusively to pursue any and all activities permitted under Section 501(c)(6) of the Internal Revenue Code (the “Code”) and the DGCL.
- Section 3. NPDA will advance the Powersports industry by elevating dealers to be well-prepared, sustainably profitable and exceeding the expectations of a growing powersports customer base; serving as an advocate and leader for its members and the industry; and any other services or activities that are desirable, appropriate, and in the best interests of the members and industry as determined by the Board of Directors.

ARTICLE III

Voting Members

- Section 1. The Association's Voting members shall be Dealer Members. A Dealer Member shall be a licensed retail powersports vehicle dealership that retails new or used major powersports units from a physical location. A Dealer Member shall pay the Dealer Member dues in effect at that time and conform to the Dealer Member qualifications and requirements set by the Association. The rights and privileges of a Dealer Member shall be as follows:
- a. The right to participate in all meetings of the members of the Association and to speak to and vote on all questions of business therein.
 - b. The opportunity to serve on committees and councils pursuant to these Bylaws, and to hold any office for which he or she is otherwise qualified.
 - c. The right to participate in the services and benefits that, from time to time, may be offered by the Association to Dealer Members.
- Section 2. Each Dealer Member shall designate one person to serve as its voting representative to the Association and/or otherwise act on its behalf in regard to Association matters. Dealer Members may also designate a person or persons to serve on Association committees and councils when so requested.
- Section 3. Application for membership shall be submitted online or directly to the Association's principal office in such form as the Board of Directors may prescribe, together with the applicant's dues payment in the amount prescribed in Article XII and agreement to membership terms. Applications will be reviewed and approved/denied by the Board of Directors or its designees.
- Section 4. Voting Membership in the Association may be terminated in any of the following ways:
- a. Failure to pay dues.
 - b. By letter of resignation addressed to the Association.
 - c. By termination of the status that qualifies the individual/organization for membership, including changes to membership structure enacted by the Association
 - d. Failure to comply with membership terms.

Termination of membership does not release a member from its obligation to pay all dues owed or levied to the end of their membership. Any termination of membership by the Association shall not occur until the individual/organization in question has been notified by the Board and given adequate opportunity to be heard in its own defense. The Board shall render the final decision.

ARTICLE IV

Non-Voting Members

- Section 1. The Association's Non-Voting members shall be Affiliate Dealer Members. An affiliate Dealer Member shall be a licensed retail powersports vehicle dealership that retails new or used major powersports units from a physical location, and is owned, controlled, or shares common ownership with a Dealer Member. An Affiliate Dealer Member shall pay the Affiliate Dealer Member dues in effect at that time and conform to the Affiliate Dealer Member qualifications and requirements set by the Association. The rights and privileges of an Affiliate Dealer Member shall be as follows:
- a. The right to participate in all meetings of the members of the Association.
 - b. The opportunity to serve on committees and councils, pursuant to these Bylaws.
 - c. The right to participate in the services and benefits that, from time to time, may be offered by the Association to Affiliate Dealer Members.
- Section 2. Each Affiliate Dealer Member shall designate one person to serve as its representative to Association and/or otherwise act on its behalf in regard to Association matters. Affiliate Dealer Members may also designate a person or persons to serve on Association committees and councils when so requested.
- Section 3. Application for membership shall be submitted online or directly to the Association's principal office in such form as the Board of Directors may prescribe, together with the applicant's dues payment as prescribed in Article XIII and agreement to membership terms. Applications will be reviewed and approved/denied by the Board of Directors or its designees.
- Section 4. Non-Voting Membership in the Association may be terminated in any of the following ways:
- a. Failure to pay dues.
 - b. By letter of resignation addressed to the Association.
 - c. By termination of the status that qualifies the individual/organization for membership, including changes to membership structure enacted by the Association
 - d. Failure to comply with membership terms.

Termination of membership does not release a member from its obligation to pay all dues owed or levied to the end of their membership. Any termination of membership by the Association shall not occur until the individual/organization in question has been notified by the Board and given adequate opportunity to be heard in its own defense. The Board shall render the final decision.

ARTICLE V

Administration

- Section 1. Responsibility for the governance of the Association and for the determination of its policies and programs shall be vested in the Board of Directors. Day-to-day operations of the Association shall be carried out through an Executive Director as further defined within these Bylaws and other staff as may be engaged for that purpose by the Board of Directors.
- Section 2. The Executive Director shall be a principal administrative officer of the Association and in that capacity shall perform duties as prescribed in an appropriate job description approved by the Board of Directors. The Executive Director is not a voting member of the Board of Directors, but attends Board meetings to provide information and reports to the Board of Directors. The Executive Director shall be compensated for the Executive Director's services in accordance with a contract of engagement entered with the Association. The Board may engage a part-time Executive Director if it so desires.
- Section 3. The Association may, subject to the approval of the Board of Directors, participate in joint or cooperative programs with other industry associations when such programs further the purpose of the Association.

ARTICLE VI

Board of Directors

- Section 1. The Association shall be governed by a Board of Directors. Directors will serve for two (2) year terms. Directors may serve more than one (1) term, but no person shall serve more than eight (8) consecutive years, partial years excluded.
- Section 2. Management and control of the Association and conduct of its business affairs shall be vested in the Board of Directors.
- Section 3. The Board of Directors shall host a meeting at least once per year, including at least one Annual Meeting where a quorum of the members is present and at the call of the Chair of the Board of the Association or 10 members of the Board of Directors, should the Chair fail to call such a meeting at their request.
- Section 4. There shall be up to 15 members of the Board of Directors, all of them Directors. All but the Immediate Past Chair of the Board shall be elected by the members in accordance with Article VII. Four (4) of the Directors shall be Officers, with one (1) of the Officers being the Immediate Past Chair of the Board.
- Section 5. A Director position, including the Immediate Past Chair of the Board, may be vacated by one of the following:

- a. Written resignation.
- b. Failure to attend three consecutive meetings of the Board of Directors without good cause.
- c. Persistent conduct prejudicial to the welfare of the Association, violation of any law or regulation that is material to the Association, or willful disregard of the Association's policies or directives of the Board of Directors when duly enacted.

Any vacated Director position, with the exception of the Immediate Past Chair of the Board, may be filled by appointment by the Chair of the Board with the approval of the Board for the balance of the unexpired term of the vacated position. If the vacated Director was an Officer, then Article VIII, Section 7 also applies.

Section 6. A quorum shall consist of a simple majority of current Directors at a Board meeting.

ARTICLE VII

Elections

- Section 1. Directors other than the Immediate Past Chair of the Board shall be elected annually. Seven (7) Directors shall be elected in even-numbered years and the other seven (7) shall be elected in odd-numbered years, with the initial Director positions available and timing of the first election being determined by the Board. Directors shall be elected in a single election by a plurality of the votes cast.
- Section 2. Nominations for Directors and oversight of the election process shall be the responsibility of the Election Committee. The Election Committee shall ensure the voting members are notified in advance of the timing and process for nominations and elections.
- Section 3. There shall be at least thirty (30) days from completion of nominations to the time of elections to provide sufficient time for the ballot process to be prepared. Nominees shall be published and distributed in print or electronic form to the members at least 2 weeks before elections.
- Section 4. There shall be one regular election of Directors each year in December or another month as determined by the Board, with votes cast for each available Director position via secure print or electronic methods, as determined by the Election Committee. Ballots shall be verified to be cast by authorized members, but shall remain anonymous as to how each member cast their votes.
- Section 5. If any Director position remains unfilled in an election after all votes are counted, that position shall be considered vacated.

- Section 6. Elections results shall be published and distributed to members within 14 days of the completion of an election and prior to the Annual Meeting and the first Board meeting of each year.
- Section 7. The Election Committee shall also be responsible for overseeing any other elections to be conducted by the Association.

ARTICLE VIII

Officers

- Section 1. The Officers of the Association, who are Directors of the Board, shall be the Chair of the Board, the Vice-Chair of the Board, the Secretary/Treasurer of the Board and an Immediate Past Chair of the Board. The Board shall elect the Officers from its Directors at the first meeting of the Board each year. Officers will serve a one (1) year term, or less in the event of appointment to complete a prior Officer's term.
- Section 2. The Chair of the Board shall be an active Dealer Member of the Association and shall be the principal officer of the Association and shall serve as the Chair of the Board of Directors and of the Executive Committee. The Chair shall be a Founder as identified in Article XVI, or A) shall be an active Dealer Member of the Association for a period of no less than three (3) years at the time of election as Chair of the Board and B) shall have first served as a Director for two (2) years, with at least one (1) of those as an Officer. The Chair shall not serve more than five (5) consecutive years as Chair of the Board, partial years excluded, but may be re-elected after one (1) or more years have elapsed. The Chair of the Board shall serve as an ex officio member of all committees and councils.
- Section 3. The Vice-Chair shall be an active Dealer Member of the Association. In the absence or incapacity of the Chair to act, the Vice-Chair shall preside over all meetings of the Association, the Board of Directors and the Executive Committee. When so acting, the Vice-Chair shall have all of the powers of and be subject to the same restrictions as the Chair. The Vice-Chair shall be a Founder, or A) shall be a Dealer Member of the Association for a period of no less than two (2) years at the time of election as Vice-Chair and B) shall have first served at least two (2) years as a Director. The Vice-Chair shall not serve as Vice-Chair more than five (5) consecutive years, partial years excluded, but may be re-elected after one (1) or more years have elapsed.
- Section 4. The Secretary/Treasurer shall be an active Dealer Member of the Association and shall keep the minutes of all meetings of the Association, Board of Directors and the Executive Committee or cause the same to be done, subject to the Secretary/Treasurer's direction and approval. The Secretary/Treasurer also shall monitor, receive and distribute the funds of the Association or cause the same to be done in accordance with the directive of the Board of Directors and the requirements of these Bylaws. The Secretary/Treasurer shall not serve on

the Board more than five (5) consecutive years, partial years excluded, but may be re-elected after one (1) or more years have elapsed.

Section 5. The Immediate Past Chair of the Board shall be the most recent prior Chair of the Board and shall serve on the Board of Directors for one (1) year past the end of their term as Chair of the Board. Thereafter, the Immediate Past Chair of the Board position shall be vacant and remain unfilled until the next Immediate Past Chair of the Board assumes office.

Section 6. Any officer may be vacated by one of the following reasons:

- a. Written resignation.
- b. Failure to attend three consecutive meetings of the Board of Directors or substantially perform officer duties without good cause.
- c. Persistent conduct prejudicial to the welfare of the Association, alleged violation of any law or regulation that is material to the Association or for willful disregard of the Association's policies or directives of the Board of Directors when duly enacted.

Section 7. In the event of a vacancy among the Officers other than the Immediate Past Chair of the Board, the Board shall elect a qualified Director to that role at the next Board meeting. If that Director so elected is another Officer, then that Officer position shall also be considered vacated and a qualified Director elected to that Officer position at the same Board meeting.

Section 8. All Officers shall serve without compensation; provided, however, that such Officers may be reimbursed in part or in whole for the actual expenses incurred in their attendance at meetings held in accordance with the Bylaws, such reimbursement to be in accordance with a schedule adopted by the Board of Directors.

ARTICLE IX

Executive Committee

Section 1. There shall be an Executive Committee comprised of the Chair of the Board, the Vice-Chair, the Secretary/Treasurer, and the Immediate Past Chair.

Section 2. The Executive Committee shall have, and may exercise between meetings of the Board, such authority as the Board may delegate to it by resolution.

Section 3. The Executive Committee may meet as often as required upon the call of the Chair, and shall keep written minutes of all proceedings.

Section 4. A quorum shall consist of a simple majority of the Executive Committee.

ARTICLE X

Committees

- Section 1. The Standing Committees of the Association, the members of whom are appointed by the Board of Directors, shall be the following:
- a. Finance Committee
 - b. Election Committee
 - c. Annual Meeting Committee
 - d. Education Committee
- Section 2. It shall be the responsibility of the Election Committee to manage the nomination and voting processes for all elections.
- Section 3. It shall be the responsibility of the Annual Meeting Committee to arrange all details of the Annual Meeting, including time, place, program and activities.
- Section 4. It shall be the responsibility of the Finance Committee to oversee financial management of the Association's assets as defined by the Finance Policy approved by the Board.
- Section 5. It shall be the responsibility of the Education Committee to create, implement, and oversee the distribution of educational materials to the Membership at large.
- Section 6. The Board or Executive Committee also may establish committees of any number for any purpose within the scope of these Bylaws.

ARTICLE XI

Councils

- Section 1. Councils may be formed by the Board, or by Dealer Members with the approval of the Board, for a specific purpose or subgroup of members of the Association.
- Section 2. All members of a council must be Dealer Members or Affiliate Members. Councils must have at least one Board member. Councils can hire non-member advisors or solicit outside participation, but such non-members shall have no voting or decision-making authority.
- Section 3. Each council shall have a Council Chair and Council Vice Chair. Councils shall keep minutes of their meetings and report them to the Board. Councils shall update the Board at least annually on their activities and plans.
- Section 4. Councils must act and behave in such a way that is consistent with the mission, goals, guidelines and philosophy of the Association. Any council not doing so shall be notified of

such by the Board, and if such activities or behavior continue the Board may terminate the council.

- Section 5. The Association shall have no obligation to fund council activities, but may choose to do so voluntarily at the Board's discretion. Councils may conduct their own fundraising, either from their members, Association members, or outside donations. Any solicitations for or receipt of outside donations received by a council must be approved by the Board and shall not be for commercial purposes. A council may not engage in selling products or services other than those offered by the Association.
- Section 6. The Association shall manage the finances of each council and shall keep, manage and disperse all funds allocated to or raised by a council for use exclusively by or on behalf of the council. The Association shall provide statements of a council's financial accounts and activities at least annually, or upon the council's request. The Association shall take the same care of a Council's funds as it would its own.
- Section 7. The Association may provide staff and other operational support to a council, either voluntarily or for reimbursement as agreed to by the Board and the council.
- Section 8. Councils are a part of the Association and are not a separate entity. Should any additional tax or other liabilities arise as a result of the activities of a council, the Association may deduct any related expenses from the council's funds. If in the Board's discretion any liabilities resulting from a council's activities are unacceptable, the Board may terminate the council.
- Section 9. Councils exist for the period of time determined by the council, which may wind down its activities at any time. If a council has no meetings reported to the Board for a period of 2 years, the Board can vote to terminate the council. If a terminated council wishes to resume operations, they may do so by reforming as a new council.
- Section 10. Any council funds that remain on account with the Association upon termination shall be forfeited to the Association.

ARTICLE XII

Professional Services

- Section 1. The Association may retain the services of a well-qualified individual whose title shall be Executive Director and who shall manage the affairs of the Association, subject to the direction of the Board of Directors and its Executive Committee.
- Section 2. Engagement of the services of such an individual shall be on the basis of written and renewable contracts with the approval of the Executive Committee and the Board. This contract shall recite the terms and conditions of employment, together with a written job

description that shall define the scope of the duties, responsibilities and discretionary powers of that office.

Section 3. The individual thus engaged may be provided with such office and staff as may from time to time be determined by the Board of Directors.

Section 4. In the event that the Association does not engage the services of an Executive Director as hereinabove provided or in addition to the services of such individual, it may at its discretion engage the services of any person or persons for the purpose of general administration, promotion of membership growth, public relations and the development of publicity favorable to the Association and its purposes.

These persons or firms shall carry no titles except as provided by the Board of Directors and shall be eligible for no other compensation than that provided for in the contract for their services.

The contract will list the administrative duties of the persons or firms at the discretion of the Executive Committee and upon approval of the Board.

ARTICLE XIII

Fees and Dues

Section 1. The Board of Directors has the exclusive right to set, change or amend dues and fees for members of the association. Membership dues are due at the beginning of each membership term and any dues paid shall be non-refundable in the event of termination of membership.

ARTICLE XIV

Finances and Fiscal Responsibilities

Section 1. The Fiscal Year of the Association shall be from January 1 to December 31.

Section 2. The Board of Directors shall designate the depository or depositories of the Association, together with the names of those individuals authorized to sign on the Association's account or accounts.

Section 3. It shall be the responsibility of the Treasurer and Finance Committee to prepare the annual budget of the Association; to consider all proposed non-budget expenditures of an extraordinary nature and to make recommendations to the Board of Directors before such proposed expenditures are authorized to be made; to arrange for the annual review; and to

counsel and advise the Executive Director on all matters pertaining to the finances of the Association. The Board may enact policies that govern how the finances of the Association are to be reported and managed.

- Section 4. Administrative staff under the direction of the Treasurer shall maintain necessary financial records to facilitate a continuing internal review of assets and liabilities.
- Section 5. A balance sheet, income statement, and cash flow statement will be provided for review by the Executive Committee and the Board of Directors at least annually.
- Section 6. The books and records of the Association shall be available for inspection at the principal office of the Association to all members of the Board of Directors at all reasonable times, and to all members of the Association upon request to the Chair of the Board.
- Section 7. There shall be an annual review of the books and records of the Association to be conducted by a Certified Public Accountant. Such review will be engaged no more than 30 days after the close of each Fiscal Year and completed within 120 days.

ARTICLE XIV

Meetings

- Section 1. There shall be one Annual Meeting of the voting members of the Association, at which time the business of the Association shall be conducted. The Annual Meeting shall be held at a time and place to be determined by the Executive Committee and the Annual Meeting Committee.
- Section 2. A special meeting of members may be called either by the Chair of the Board or by at least 1/3 of the voting members. Such meetings require no less than 14 and not more than 45 days' notice prior to the date of the meeting. The date, hour, venue and purpose of the meeting will accompany the notice.
- Section 3. The Board of Directors shall meet at least once a year and, if necessary, more often at the call of the Chair or at least 10 Board Members.
- Section 4. The Executive Committee shall meet as often as required at the call of the Chair.
- Section 5. All committees and councils shall meet at the call of their respective chairs.
- Section 6. Each member of the Board of Directors shall receive notice of the time and place of each meeting of the Board. Except as otherwise required by statute, the Association Corporation's charter or these bylaws, notice of the purpose of any meeting called, regular or special, should be stated. Notice of each such meeting shall be given by first-class mail, electronic mail or facsimile and addressed to each member of the Board of Directors at their

usual place of business not less than five (5) business days prior to the date of the meeting for which notice is given. Notice of the meetings of the Executive Committee or any committee or council of the Association may be given by any convenient means of communication and timing commensurate with the nature of the business to be conducted.

- Section 7. A quorum for the conduct of official business at any meeting of the Board of Directors, committee or councils shall be a simple majority of the members then serving. Unless otherwise stated herein, any matters voted upon shall be decided by a simple majority of the votes cast.
- Section 8. Members of all classes shall be privileged to attend all meetings of the Association, but only voting members shall be privileged to speak to questions on the floor unless otherwise invited to do so by the Chair of the Board. No member of any class shall be privileged to speak to matters of business before the Board of Directors unless invited to do so by the Chair.
- Section 9. In the event of a national emergency or catastrophe or an unforeseen event at the prescribed meeting place, any meeting of the Association may be rescheduled if possible or canceled by the Board of Directors. Any business scheduled to be conducted at a canceled meeting shall be conducted according to the best judgment of the Board.
- Section 11. All meetings, including the Annual Meeting and meetings of the Board of Directors, may be held either in person or electronically so long as all authorized participants have sufficient notice and opportunity to participate. Any votes cast on matters before the members of the Association, Board, committee or councils may be in person, electronic or by proxy. Further, minutes shall be kept for all meetings and shared with the Board and meeting participants.

ARTICLE XVI

Founders

Section 1. The Founders of the Association are:

- George Gatto, Gatto Harley Davidson (PA)
- Bob Althoff, Farrow Harley Davidson (OH)
- Maurice Slaughter, Bay Harley Davidson (VA)
- Gail “Harley Chick” Worth, Gail’s Powersports (MO)
- Mark Peterson, Southwest Superbikes (TX)
- Bob Kee, Destination Cycle (TX)
- Robert Kay, Star City Motorsports (NE)
- Kim Harrison, Coleman PowerSports (VA)
- Dia Matteson, Harley Davidson (AK, AZ)

ARTICLE XVII

Amendments

- Section 1. These Bylaws may be amended by the Board at any time, with the exception of Article VII (Elections).
- Section 2. Upon receipt of a proposal for amendment of Article VII, the Board of Directors shall cause the same to be distributed to the voting membership through the customary channels of communication so as to reach the voting membership no less than 30 days before the next meeting of the voting members. The Election Committee shall have the voting members vote on whether to approve the proposed amendment. If approved by a majority of all voting members in good standing with dues current, present and voting, the proposal shall become effective as of that date.
- Section 3. Upon approval of an amendment to the Bylaws, the Board shall cause the Bylaws to be revised accordingly and made available to the members within 30 days of approval.

--END OF BYLAWS--

Adopted: _____