

BY-LAWS
VIRGINIA ASSOCIATION OF TOWING
AND RECOVERY OPERATORS, INC.

Adopted by Board January 21, 1998

ARTICLE I - NAME

As set forth in the Articles of Incorporation, this organization shall be known as Virginia Association of Towing & Recovery Operators, Inc. (VATRO).

ARTICLE II - OBJECT

To insure that safe, efficient and uniform towing and recovery services are made available in the Commonwealth of Virginia by means of the education of the general public, the State Government and its political subdivisions and persons or organizations rendering these services, either directly or indirectly, in the Commonwealth.

ARTICLE III - MEMBERS

Section 1. Membership - VATRO membership shall be by proper application and payment of an initiation fee and annual dues. Membership applications shall be accepted by the President; provided that if the President has any questions as to the qualification of the applicant for membership, the President shall refer the matter to the Board of Directors which shall accept or reject such application. Membership status will be as follows;

a. VOTING MEMBER - Every person, or entity, who is an owner of a towing and recovery service, to which the operation is an integral and substantial part of the economic viability of the business, not incidental to repair, service or other business activity.

b. ASSOCIATE MEMBER - Any person, business, or agencies engaged in activities related to the towing and recovery industry, and sympathetic to the purpose of this organization.

c. HONORARY MEMBER - Any person who through service to VATRO is honored by the board of directors by being voted in as a lifetime honorary member.

Section 2. Chapters - A Chapter may be established by at least ten (10) voting members submitting a request to the Board of Directors (BOD) for approval. An exception can be granted to establish a chapter with less than ten only with the BOD disgression. Each Chapter shall have, as a minimum, a Chapter President, Chapter Secretary, and Chapter Treasurer. Other officers, as required or needed, may also be elected in the Chapter. Chapters will elect a Director to represent the Chapter on the VATRO Board of Directors. The director will be elected at the first Chapter meeting following the Annual Meeting for a period of one (1) year, and until his/her successor is elected. A Chapter shall have the right to remove and replace the Director which represents it on the VATRO Board of Directors. A member of VATRO must be a member of a chapter. If a new member is not a member of a chapter at the time of his/her application, the member shall select a chapter which he/she wishes to join, and absent such selection shall be assigned an appropriate Chapter by the VATRO President. No Chapter shall have the right to act as agent for, or incur any liability on behalf of, VATRO, absent express written authority from the VATRO President.

Section 3. Voting - Each voting member in good standing as of the Record Date for a particular meeting, shall be entitled to a vote on matters submitted to the membership for consideration at a members meeting. The Record Date for a members meeting shall be thirty (30) days prior to such meeting. A member shall be 'in good standing' once accepted to membership, unless and until he/she resigns or has his/her membership terminated under Article II, Section 7 or Article VIII.

Section 4. Dues - The VATRO Board of Directors will establish the amount of the VATRO annual dues and initiation fee to be collected by each Chapter from its members, along with any Chapter dues established and collected by each Chapter.

Section 5. Resignation - Resignation may be accomplished at any time by providing written notice to the Secretary for presentation to the Board of Directors. Resignation shall not relieve the member of any obligation to pay any dues, assessments or other charges therefore accrued and unpaid.

Section 6. Transfer of Membership - VATRO membership cannot be transferred or assigned.

Section 7. Non-payment of Dues - Once a member is thirty (30) days late in payment of dues, the Secretary shall send the member written notice of such fact and the fact that such member's membership shall be terminated fifteen days after the date of such written notice unless payment of delinquent dues is received on or before such date. A member whose membership is terminated for nonpayment of dues may not rejoin VATRO unless he/she pays not only any initiation fee and annual dues owed prospectively, but also those dues which were owed upon termination of the member's previous membership.

Section 8. Use of Emblems - Once a member elects or is asked to leave the membership, he must immediately cease and desist using the VATRO emblem in the course of his business.

ARTICLE IV - OFFICERS

Section 1. Officers - VATRO officers will be President, Vice-President, Secretary and Treasurer. These officers will perform the duties prescribed by these bylaws and by the Parliamentary Authority adopted by the Association.

Section 2. Term of Office -

a. President and Secretary - Shall be elected in Odd Numbered Years for a two (2) year term, and until their successors are elected.

b. Vice-President and Treasurer - Shall be elected in Even Numbered Years for a two (2) year period, and until their successors are elected.

c. Vacancy - In the event an office becomes vacant, the Board of Directors will appoint a replacement who will serve until the next Annual Meeting, at which time an election will be held to fill the remainder of the term, if necessary.

Section 3. Elections

a. Officers will be elected at the Annual Meeting. Voting will be by ballot, using ballots issued and controlled by the Election/Nomination Committee. Only Voting Members, in good standing, may vote. Ballots will be issued to all members by mail in a timely manner to insure their admissibility. Proxy votes are not permitted.

b. A proposed slate of Officers for the election will be published and distributed by the Nominating Committee to the members at least sixty (60) days prior to the election date. Nominations may be submitted directly to the Nominating Committee, in writing, prior to the publication of the slate. Between the time when such slate of Officers is sent to the Members, and forty (40) days prior to the election date, nominees may be added to the slate of Officers upon written petition signed by at least ten members and delivered to the VATRO President during such time period along with the written consent of the nominee. If any such additional nominees are presented by a qualifying petition, the Nominating Committee shall distribute to the members a revised slate of Officers, bearing such additional nominee(s), at least thirty (30) days prior to the election date. In the event of only one (1) candidate is nominated for each office being considered, the Election Committee Chairperson may move the election of the slate by unanimous consent, in which case, balloting will not be required.

c. An Election Committee will be appointed by the President prior to the election date. This Committee will be responsible for preparing the ballot to be used in voting. This ballot should clearly identify each office being considered for election, with the name(s) of the candidates listed next to the office in question. 'Write-in' candidates may not be added to the ballot. The Election Committee will conduct the election meeting. Prior to balloting, the Election Committee Chairperson will announce all nominees on the final slate of Officers. No nominations may be made from the floor. Nominees will be permitted time to address the membership, if desired, or to answer questions from the membership. The Election Committee is responsible for validating the eligibility of those desiring to vote. Upon completion of voting, the ballots will be turned over to the Counting Committee who will tally the votes. Results of the election will be given to the Election Committee Chairperson, who will announce the results at the proper forum provided. The ballots will then be given to the Secretary for destruction after thirty (30) days.

Section 4. Duties of Officers:

a. President. The President is the Chief Executive Officer of the Association and will Chair all meetings of the Association, as well as supervise the business and affairs of the Association. The President may sign, as an Agent of the Association, any documents, contracts or other instruments as approved and authorized by the Board of Directors, except in cases where the Board of Directors has indicated some other officer or Agent may perform the function. The President will also perform all duties incident to the office and such duties as may be required by the Board of Directors, these Bylaws and by the parliamentary authority adopted by the Association.

b. Vice - President. In the absence of the President, the Vice-President will serve in his/her stead and perform the duties of the President. The Vice - President will also perform all duties incident to the office and such duties as may be required by the Board of Directors, these bylaws and by the parliamentary authority adopted by the Association.

c. Secretary. The Secretary is the recording officer of the Association and the Custodian of all Records, except Financial Records, and the Corporate Seal. The Secretary will keep a record (minutes) of all proceedings of the Association

during its meetings and make them available to the membership, if requested, at a reasonable time and place. The privilege to examine the minutes of the Association would not be abused to the annoyance of the Secretary. The Secretary will keep the Association official membership roll and call the roll where it is required. The Secretary will see that all notices are duly given in accordance with the provisions of these bylaws, the Board of Directors and Federal, state or local law. The Secretary will also perform such other duties as, from time to time, may be assigned by the President or by the Board of Directors. In the absence of the President and Vice-President, the Secretary will call the meeting to order and preside until the immediate election of a Chairman pro tem is accomplished. In the absence of the Secretary, a Secretary pro tem would be appointed to record the minutes.

d. Treasurer. The Treasurer is the financial officer of the Association and responsible for the custody of all funds and security of the Association. Routine disbursements may be made without Board approval involving regular expenses of the Association. Other than routine expenses must be approved by the Board at its regular meeting and be specified under "new business" to permit board action. A financial statement will be given to any members upon request and a full financial statement will be presented at the annual meeting. Financial records should be accessible at the annual meeting to verify the eligibility of voting members. All funds collected on behalf of the Association will be deposited in a timely manner in the financial institution approved by the Board of Directors. The Treasurer will secure signature cards for any financial accounts maintained by the Association and insure their timely completion upon change of officers. The president and Treasurer will sign the signature cards as authorized signatures of the accounts, either one of whom may sign. When any funds advanced to a committee or person, and approved by the Board, such committee or person will render a full accounting to the Treasurer within thirty (30) days of the completion of the occasion/event for which the funds were advanced. The President will appoint an Audit Committee and an annual audit of the financial records will be performed prior to the Annual meeting. The Treasurer may not serve as a member of the Audit Committee. The Treasurer shall perform all the duties incident to the office of Treasurer and such other duties as, from time to time, may be assigned by the President or Board of Directors.

ARTICLE V - MEETINGS

Section 1. - The Annual Meeting of the membership will be held at a time and place designated by the Board of Directors. The purpose of the meeting is the election of new officers, receiving reports of Officers and Committees, and for any other business that may arise.

Section 2. - Special meeting may be called by the President, Board of Directors or 10% or more of the Voting Members. Time and place of the meeting will be established by the Board of Directors. The purpose of the meeting being called will be stated in the notification to the membership and only business related to the call will be permitted. Written or printed notice giving the place, time and date (and in the case of special meetings, the purpose of the meeting) will be delivered personally, or by mail, to each voting member at least ten (10) days prior to the meeting and not more than sixty (60) days prior to the meeting; except that in the case of a vote on merger, dissolution, sale of substantially all of the assets, or amendment of the Articles of Incorporation, such notice shall be made at least twenty-five (25) days prior to the meeting. Mailed notices will be deemed to be delivered when deposited into the U. S. Mail addressed to the member at the address appearing in the membership roster maintained by the Secretary.

Section 3. - A quorum of at least 10% of the total voting member is required to conduct business of the membership.

ARTICLE VI - BOARD OF DIRECTORS

Section 1. - The Board of Directors will consist of the Officers and elected chapter delegates.

Section 2. - The Board of Director will exercise the general powers of the Association and will manage the affairs of the Association as required.

Section 3. - The regular meeting of the Board of Directors will be held at least quarterly. The time and date of the next regular meeting can be established by the Board of Directors while meeting in a regular session; however, the Board should attempt to plan all the regular meetings for the entire year. Regular meetings may be scheduled more frequently; i.e., monthly, bi-monthly, if the Board deems it appropriate.

Section 4. - Special meetings may be called by the President, or by any two (2) board members. Time and place of the meeting will be established by the Board of Directors. The purpose of the meeting being called will be stated in the notification to the members and only business related to the call will be permitted. Written or printed notice giving the place, time and date of the

meeting will be delivered personally, or by mail, to each board member at least seven (7) days prior to the meeting. Mailed notices will be deemed to be delivered when deposited in the U.S. Mail addressed to the member at the address appearing in the membership roster maintained by the Secretary. In event of an emergency, a meeting may be called with a three (3) day notice and any notices mailed must be sent via Certified mail, return receipt requested.

Section 5. - A quorum for the transaction of business will be a majority of the Board of Director, except as may be specified in the bylaws or parliamentary authority.

Section 6. - Board members shall not receive any salary for their services as aboard member; however, compensation is permitted, if warranted, when serving the Association in any other capacity. Board members may accept, on behalf of the Association, any contribution, gift, bequest or device for any purpose of the Association.

ARTICLE VII - COMMITTEES

Section 1. - Finance Committee. A finance committee composed of the Treasurer and two (2) other members will be appointed by the President promptly after the annual meeting. The committee will prepare a budget for the fiscal year to be presented to the Board of Directors at its next regular meeting. If adopted by the Board, the committee may from time to time submit amendments to the budget, if necessity arises. This committee is appointed for one (1) year.

Section 2. - Election Committee. An election committee composed of at least three (3) members will be appointed by the President prior to the annual meeting. This committee will conduct the election of new officers at the Annual meeting, to include verification of eligibility of voting members. The committee will elect its own Chairperson. This committee will be dissolved upon completion of the elections.

Section 3. - Nomination Committee. At least ninety (90) days prior to the annual elections, the President will appoint a Nominating committee of at least three (3) members for the purpose of providing the membership with a slate of officers for the forthcoming elections. A form for submitting nominees for office will be mailed to the membership as part of the Association Newsletter and prior to the Annual meeting. This committee will elect its own Chairperson.

Section 4. - Ethics Committee. If an appeal of a Chapter President's decision in regards to a grievance procedure is made to the President by a disgruntled voting member, the President will appoint an Ethics Committee composed of three (3) Board members to investigate the appeal. Harmony should always be the priority.

Section 5. - Audit Committee. Prior to the annual meeting, the President will appoint an audit committee of at least two (2) members to audit the Treasurer's financial records and report the results of same at the Annual meeting.

Section 6. The need for other committees will arise from time to time. The formation and direction of these committees will be at the discretion of the President or the Board of Directors.

ARTICLE VIII - GRIEVANCE PROCEDURES

Section 1. -Any voting member of the Association may bring charges against the conduct of another member in order to initiate suspension, termination, reprimand, etc. on the basis that the accused member has engaged in conduct which is in material violation of the VATRO Code of Ethics..

Section 2. - the complaining member will submit, in writing, the charges and their basis for consideration to the Chapter President. The Chapter President will notify the accused, in writing, that a grievance has been filed, the charges thereto and possible action(s) that may be taken if the charges are upheld. A hearing date on the matter will also be included. The accused will be given ten (10) days to respond orally and in writing to the charges.

Section 3. - If the Chapter President finds that probable cause exists, the accused and accuser will be notified that a hearing will be held at the time and place as indicated in the notification letter. If the Chapter President finds that probable cause does not exist, the accused and accuser will be notified and the matter will be considered closed.

Section 4. - The accusing member may appeal the decision of the Chapter President to the Association President for investigation by the Ethics committee. If the committee agrees with the decision of the chapter President, the matter will be closed. If the committee finds probable cause that a hearing is required, the Chapter President will be notified to assemble the parties involved and proceed with hearing within fourteen (14) days.

Section 5. - The hearing will be conducted by a panel consisting of one (1) VATRO member selected by the accuser, one (1) VATRO member selected by the accused, and one (1) VATRO member mutually agreed upon by these two selected members. In event they are unable to agree as to a third panel member, the President will appoint the third panelist from the membership. Both sides have the right to be represented by counsel, if desired, at their own expense, at the hearing. Matters which are the subject of pending litigation in any federal, state or municipal court will not be considered by the Chapter President under these procedures under any circumstances.

Section 6. - The majority ruling of the panel will be binding upon both the accused and accuser. The panel will submit its findings to the Chapter President, who will render this action(s) necessary to the findings and in the best interest of VATRO. If the accused feels the Chapter President's decision is too harsh, the decision, but not the underlying findings of fact, may be appealed to the Board of Directors, which may affirm or modify the Chapter President's decision, and such Board of Directors' action shall be final. Severity of any sanction imposed shall be reasonably related to the offense, and shall be consistent with the severity of sanctions imposed on other members.

ARTICLE X - AMENDMENT OF BYLAWS

These bylaws may be amended at any duly noticed Board of Directors meeting or any Special meeting called for such purpose. The proposed Amendment must have been presented to the Board of Directors in writing at or before the meeting, and a copy of the proposed amendment must have been made available to the membership by mail or published in the Newsletter. A 2/3 vote of those Directors present at a meeting at which a quorum exists is required for adoption of any amendment to these bylaws.

ARTICLE IX - PARLIAMENTARY AUTHORITY

The rules contained in the current edition of *Robert's Rules of Order Newly Revised* shall govern the Association in cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order the Association may adopt.