

# BYLAWS

## Of the New Mexico Independent Automobile Dealers Association

WHEREAS, Unity guided by intelligence is a source of, and the basis of constructive legislation; and

WHEREAS, without intelligent organization we cannot acquire the coordination which enables us to act together, concentrate our strength and direct our efforts toward the desired end; and

WHEREAS, it is desirable that we have full freedom of association, Organization and designation for the purpose of promoting such unity and concert of action among the independent Automobile Dealers of the State of New Mexico and joining them together for mutual understanding and protection;

NOW, THEREFORE, we have organized the NEW MEXICO INDEPENDENT AUTOMOBILE DEALERS ASSOCIATION, INCORPORATED, a non-profit organization. The name of the Association shall be NEW MEXICO INDEPENDENT AUTOMOBILE DEALERS ASSOCIATION, INC.

The object of the Association shall be to serve the best interests of the independent automobile dealers and the public by:

1. Accumulation and dissemination of information relative to the independent automobile business;
2. Presentation to the public of information which will give the public a better understanding of the independent automobile dealers' place in the economy of the state;
3. Presentation of information to regulatory and law making bodies so that they may have a better understanding of the possible effects of proposed laws and regulations and will not inadvertently work undue hardships on independent automobile dealers;
4. Urging independent automobile dealers everywhere to have a closer fraternization with one another so that they may come to a fuller understanding of their responsibilities to the public and to the other independent automobile dealers and so that independent automobile dealers may work together in harmony for the betterment of the independent segment of the automobile industry;
5. Working in any manner advisable for the betterment of the independent automobile dealers and the public;
6. Any other activity consistent with the charter as ordered by the Board of Directors.

### ARTICLE I Membership

**Section 1. Members:** Membership in the Association shall be open to those licensed independent automobile dealers and related concerns who are engaged in the business of buying and selling motor vehicles or in associated activities in the State of New Mexico. **Section 2. Classes of Memberships:**

**A. Regular.** Regular members shall consist of licensed independent automobile dealers; whether an individual or corporation; who are engaged in the business of buying and selling motor vehicles in an established place of business in the State of New Mexico. Only regular members shall be entitled to vote or hold office in the Association. **B. Associate.** Associate members shall consist of persons, companies, and/or corporations residing in the State of New Mexico and engaged in a business relating to, associated with, or assisting persons engaged in the automobile business such as used car departments owned and operated by franchised new car dealers, finance companies, banks, auto

accessory and parts dealers and repair shops and graduates of New Mexico Dealer Pre-Licensing Education. Associate members will also be known as Sponsor Members.

**C. Honorary.** An Honorary membership may be bestowed on individuals, companies or corporations for their exemplary service to this Association, as duly chosen for such an honor by the Board of Directors.

**D. Special.** A special Membership shall be available to individuals, partners, a collection of individuals, companies or corporations who wish to become affiliated with this Association prior to and during the annual convention or other major Association event upon payment of Special Membership fees as determined by the Board of Directors.

**Section 3. Authorized Representatives:** At the beginning of each membership year, each company or corporate member shall designate in writing to this Association the individual who is to represent it in Association activities and is to exercise all of its privileges and powers as a member of this Association, provided that such individual is an employee of the member. The Membership Committee shall have the right to disapprove any such designation.

**Section 4. Application and Election:** Application for membership shall be made in writing on the form prescribed by the Board of Directors and shall be submitted to the office of the Association. The Application shall be accompanied by the payment of dues for one year. The applicant shall become a member upon election by the Board of Directors, and all membership shall run from the first day of the month nearest of acceptance.

**Section 5.** This Section is reserved.

**Section 6. Certificate of Membership:** All persons elected as members of the Association shall receive a certificate of membership, the form of which shall be determined by the Board of Directors, a copy of the Association Bylaws and Code of Ethics, and any other items approved by the Board of Directors.

**Section 7. Time and Place of Annual Meetings:** The annual meeting of the members of this Association shall be upon the call of the President prior to the end of each fiscal year.

**Section 8. Time and Place of Special Meetings:** Special meetings of the membership may be called at any time and at any place by the President, by the Board of Directors, or at the written request of 20% of the regular members of the Association, who shall so notify the Secretary, stating the object for which the meeting is to be called. Only such business as is authorized in the call issued for the meeting may be transacted at a special meeting.

**Section 9. Quorum and Voting:** At all meetings of the members, whether special or regular, a quorum shall consist of 15% of the regular members. All voting, including election of the Board of Directors, shall be by a majority vote. Only regular members may vote.

**Section 10. Powers:** The members shall have the power and authority to decide upon any matters which shall come before them so long as there is no conflict, with the Bylaws or the Articles of Incorporation.

**Section 11. Notice of Meetings:** Written notice of each regular meeting of members stating the time and place and any special objects thereof shall be given to each member fourteen (14) days before the fixed date for the meeting. Special meetings may be called by written notice delivered ten (10) days prior to the date of the meeting such notice shall specify the object for which the meeting is being called.

**Section 12. Mail Ballot:** The Board of Directors shall have authority to submit to the membership by mail ballot delivered by US mail, email or any other electronic means, any questions which arise between the annual meetings which in its judgment should be acted upon by the members.

## ARTICLE II Fees, Dues and Assessments

**Section 1. Fees:** The Board of Directors may require the payment of an initiation or other fee as a prerequisite to membership in this Association.

**Section 2. Dues:** Dues shall be payable in advance on an annual basis. The Board of Directors shall determine the amount thereof for each year, which amount shall include the National Independent Automobile Dealers Association's dues for that year.

**Section 3. Assessments:** The Board of Directors or the Executive Committee may at any time authorize an assessment against each regular member, but in no event shall any member be assessed more than Twenty-five Dollars (\$25.00) in any six month period.

### **ARTICLE III**

#### **Resignation, Termination and Changes in Classification of Membership.**

**Section 1. Resignation:** Any member may resign from this Association by so notifying the Executive Committee in writing, provided that all fees, dues and assessments then due to the Association have been paid.

**Section 2. Termination:** Any class of membership in the Association shall be suspended or terminated by failure to pay the membership dues as fixed by the Board of Directors. Any membership may also be suspended or terminated by failure to adhere to the Association's approved Code of Ethics or other improper conduct as to bring discredit upon the Association. The Board of Directors or Executive Committee may terminate the membership of any member or take other action as set forth below:

- A.** Every member shall be afforded notice and opportunity to be heard before the Board. The Board shall have authority to take any action, the effect of which would be:
  - (1) to reprimand the member;
  - (2) to suspend the member;
  - (3) to terminate membership;
  - (4) to recommend that the Department of Motor Vehicles investigate whether the member's license should be suspended or revoked.
- B.** When the Board contemplates taking any action of the type specified in Subsection A above, it shall serve upon the member a written notice containing a statement as follows:
  - (1) that the Board has sufficient evidence which, if not rebutted or explained, will justify the Board in taking the contemplated action;
  - (2) indicate the general nature of the evidence and potential witnesses;
  - (3) that unless the member, within twenty (20) days after service of the notice, deposits a certified return receipt requested letter addressed to the Board and containing a request for a hearing, the Board will take the contemplated action and such action will be final;
  - (4) Stating that the member shall have the right to be represented, to present all relevant evidence, to examine opposing witnesses.
- C.** If the member does mail a request for hearing, the Board shall, within twenty (20) days of receipt, notify the member of the time and place of hearing, and the name or names of the person or persons who shall conduct the hearing for the Board, the witnesses who may testify and the nature of any documents which will be presented. The hearing shall be held not more than sixty (60) days or less than fifteen (15) days from the date of service of such notice.
- D.** All hearings shall be conducted either by the Board or the Executive Committee who may admit any evidence and may give probative effect to evidence that is of a kind commonly relied on by reasonably prudent people in the conduct of serious affairs and who may utilize their experience, technical competence and specialized knowledge in the evaluation of evidence presented to them. They may also, in their discretion, exclude incompetent irrelevant, immaterial and unduly repetitious evidence.
- E.** After a hearing has been completed the members of the Board shall proceed to consider the case and as soon as practicable shall render their decision. A decision shall be made by a quorum of the Board and signed by a person designated by the

Board within ninety (90) days after the hearing. Within fifteen (15) days after the decision is rendered and signed, the Board shall serve upon the member a copy of the written decision.

- F. If a member who has requested a hearing does not appear, the Board may proceed to consider the matter and dispose of it on the basis of the evidence before it. Where, because of an accident, sickness, or other cause, a member fails to request a hearing or to appear for the hearing, the member may within a reasonable time, apply to the Board to reopen the proceedings. The Board upon finding such cause sufficient, shall fix a time and place for hearing, give the member notice thereof, and hold a hearing as if the person has made a timely request or appearance.

**Section 3. Change of Status in Membership:** Whenever the status of any member in the Association changes so that such member would properly belong in another membership classification, such member shall immediately notify the Board of Directors thereof and the Board shall thereupon, or upon its own initiative, make any investigation deemed necessary and place such member in such changed classification as soon as possible. If the classification of membership calls for higher dues structure the member shall be assessed the difference. There shall be no refund of dues in the event of a lesser classification, or if a member resigns, or a members' membership is terminated.

**Section 4. Reinstatement:** Any person, company or corporation whose membership in this Association has been terminated because of nonpayment of dues, fees or assessment may request reinstatement as a member, provided that said request is made in writing within sixty (60) days of the termination of his membership and provided that the request be accompanied by the unpaid dues, fee or assessment, plus any new dues, fee or assessment which may have become due and payable subsequent to the termination of his membership. The Membership Committee shall approve, or disapprove all such requests.

## ARTICLE IV

### Board of Directors

**Section 1. Eligibility, Election and Term:** The number of directors which shall constitute the entire Board shall be not less than three (3), not more than fifteen (15). The number of Directors shall be determined by the Board of Directors. The Directors, all of whom shall be regular members, shall hold office for one year or until their successors are elected and qualified. Directors may be reelected to the Board. Provisions may be made for the election of Board Members on a territorial basis within the State, at the discretion of the Board of Directors.

- A. By a two-thirds majority vote of all Directors, the Directors may declare vacant the office of any officer or Director who consistently fails to discharge the duties for the office held or whose membership, for any reason, is revoked.

**Section 2. Vacancies:** The Board of Directors at any regular meeting or at any special meeting of the Board, called for that purpose, may fill any vacancies in the membership of the Board caused by death, resignation or otherwise. Members so elected shall serve the un-expired term of their predecessors.

**Section 3. Duties and Powers:** The business of the Association shall be managed by its Board of Directors, which may exercise all such powers of the Association and do all such lawful acts and things as are not by statute or by the Certification of Incorporation or by these Bylaws prohibited, directed or required to be done by the members. The Board of Directors may delegate any of its authority and power to the Executive Committee. **Section 4. Meetings:**

- A. **Date.** The regular business meetings of the Board of Directors shall be held quarterly. Written notice of these meetings shall be sent to each Board member at least seven (7) days prior to the meeting. Special meetings of the Board may be called by the President on twenty four (24) hours notice to each Director, either personally or by mail or

electronic communication. Special meetings shall also be called by the President or Secretary on like notice on written request of any two (2) Directors.

**B. Quorum.** At all meetings of the Board, fifty-one percent (51%) of the Directors shall constitute a quorum for the transaction of business and the act of the majority of the Directors present at any meeting at which there is a quorum present shall be the act of the Board of Directors, except as may otherwise be specifically provided by statute or by the Certification of Incorporation or these Bylaws. If a quorum shall not be present at any meeting of the Board of Directors, the Directors present thereat may adjourn the meeting from time to time without notice or another announcement of a meeting until a quorum shall be present.

**C. Voting.** Voting by the Board of Directors shall be majority vote of the Directors present.

**D. Presiding Officer.** The meeting of the Board of Directors shall be presided over by the President, or, in his absence, by the Chairman of the Board, or, in his absence, by the Executive Vice President.

**E. Business.** At regular meetings of the Board of Directors, the Directors shall be empowered to transact any and all business not in conflict with the constitution or bylaws of this Association. At special meetings of the Board of Directors, no business other than that specified in the notice of the meeting shall be transacted by the Directors.

**F. Powers.** The conduct of the business and affairs of this Association shall be managed by the Board of Directors, and the directors shall be vested with all powers necessary or appropriate for such purposes, subject to the provisions of the Constitution and Bylaws of this Association. In particular, the Board of Directors shall have the responsibility of formulating and developing policies, programs and plans for the Association, and shall have the power to employ and discharge the employees of this Association.

## ARTICLE V Officers

**Section 1. Officers:** The officers of the Association shall consist of a President, Vice President, Secretary, and Treasurer. Additional Vice Presidents and one or more Assistant Secretaries and Assistant Treasurers may also be chosen if the Board of Directors so desires. Two or more of the offices may not be held by the same person except the office of Secretary and Treasurer. Officers will not serve more than two (2) consecutive terms in the same office.

**Section 2. Elections:** The officers of this Association, except for the Chairman of the Board of Directors, shall be nominated by any member or Director and shall be elected a majority vote of the Board of Directors.

**Section 3. Vacancies:** In the event that the office of Chairman of the Board of Directors becomes vacant, the vacancy shall be filled pursuant to procedure as set forth in Article V, Section 4 hereof. In the event that the office of President shall become vacant, the Vice President shall become President for the un-expired portion of the term. In the event that the office of President shall become vacant and in the event that the Vice President is unable to assume the office of President, the Chairman of the Board of Directors shall become President for the unexpired portion of the term. The Board of Directors may fill any vacancies among the other offices by electing a replacement to serve for the un-expired portion of the term.

**Section 4. Chairman of the Board:** The office of Chairman of the Board of Directors shall automatically be filled by the immediate past President, provided that he shall not then be serving as President. In the event that the immediate past President is not eligible to fill the office of Chairman of the Board of Directors, the immediate past Chairman of the Board of Directors shall continue as Chairman. In the event that the immediate past Chairman shall decline to so serve, the office of Chairman of the Board of Directors shall be filled by a vote of the Board of Directors.

**Section 5. President:** The President shall be the lead Board Official and the senior corporate

officer of this Association and shall preside at all meetings of the members and of the Board of Directors; and shall have the duties and powers which normally pertain to that office. He shall be an exofficio member of all committees.

**Section 6. Vice President:** The Vice President shall be assigned such duties as the Board of Directors, or the President, shall determine. The Vice President shall act in the absence of the President. In the event of two (2) or more Vice Presidents, the President will appoint one as the Executive Vice President.

**Section 7. Secretary:** The Secretary shall keep correct minutes of the meetings of the Board of Directors and the Association. He shall sign all authorized papers which require his signature and shall perform all such other duties as the Board may direct.

**Section 8. Treasurer:** The Treasurer shall collect and receive all monies payable to this Association and he shall have charge of and disburse the same in accordance with the authorization of the Board of Directors. He shall keep books of account of all receipts and disbursements and shall present a report thereof in reasonable detail to the Board of Directors whenever required. The Treasurer shall cause all monies of this Association to be deposited, in the name of the Association, which such depository or depositories as the Board of Directors shall approve and designate for that purpose. The treasurer shall furnish a fidelity bond, at the expense of this Association, for such amount as the Board of Directors may determine. In the event of the temporary absence of the Treasurer, the Secretary may assume the duties of this office until the return of the Treasurer or until a new Treasurer is elected. The Treasurer may delegate to the Executive Director any or all of his duties and powers, provided, that such delegation is made in writing and is approved by the Executive Committee, and provided further that such delegation may be revoked at any time by the Treasurer or the Executive Committee. **Section 9. Other Officers:** The Board of Directors may elect such other officers and agents as it shall deem necessary and shall determine their duties and powers.

**Section 10. Expenses and Compensation:** The expenses for Association travel and/or work incurred by the Chairman of the Board, the President, the Vice President, Committee Chairman, Committee Members, and Executive Director may be reimbursed to them at the discretion of the Board of Directors.

**Section 11. Termination of Office:** The Board of Directors may at any time in its sole discretion and with or without cause declare any office to be vacated.

## ARTICLE VI Executive Director

**Section 1. Executive Director:** The Executive Director shall be the Chief Executive Officer of the Association responsible for all management functions. The Executive Director shall manage and direct all activities of the Association as prescribed by the Board of Directors, shall be responsible to the Board, and shall serve as ex-officio member of all standing and special committees. The Executive Director's appointment shall be determined by the Board of Directors. The Executive Director shall employ and may terminate the employment of members of the staff necessary to carry on the work of the Association and fix their compensation within the approved budget. The Executive Director shall define the duties of the staff, supervise their performance, establish their titles and delegate those responsibilities of management as shall be in the best interest of the Association. The Executive Director shall furnish a fidelity bond at the expense of the Association for such as the Board of Directors may determine.

## ARTICLE VII Committees

**Section 1. Executive Committee:** There shall be an Executive Committee composed of the Chairman of the Board of Directors, the President, the Vice President, the Secretary and the Treasurer. At such time as the Board of Directors is not in session, the Executive Committee with the prior approval of the Board of Directors shall possess and may exercise all of the powers of the Board of Directors other than the power to amend these Bylaws. All actions of the Executive

Committee shall be reported to the Board of Directors at the next meeting thereof. The President shall act as Chairman of the Committee. Executive Committee officers shall be seated to all Directors meetings with the same authority and right to vote as directors.

**Section 2. Standing Committees:** The Board of Directors shall appoint and define the duties of all standing committees necessary to carry on the year's activities. Any regular member may be appointed to a standing committee of the Association and shall serve one (1) year or until the next Annual Membership Meeting and change of officers.

**A. Membership Committee:** This committee shall be composed of three (3) members, and shall have the authority and duty of soliciting and passing on membership applications.

**B. Nominating Committee:** This committee shall consist of three (3) members who will, after due investigation of the membership's feelings, recruit and nominate at the annual meeting, the approved slate of Officers and Directors.

**C. Legislative Committee:** This committee shall be composed of three (3) members and shall have the authority and duty of keeping this Association and the Board of Directors informed on all legislative matters affecting independent automobile dealers and this Association.

**D. Ethics Committee:** This committee shall consist of three (3) members who will investigate any acts that may violate the principles of this Association.

**E. National Board Members:** This committee will consist of those members allowed or required by the National Association to assist with the endeavors of the National Association and keep this Association informed and involved.

**Section 3. Special Committee:** Special committees may be appointed at any time as the needs arise and shall be named by the President. Any member may be appointed to a special committee.

**Section 4. Meetings:** The committee shall meet on the call of the Chairman of the committee. A majority of the members of the committee shall constitute a quorum. All committee decisions shall be by a majority vote of the members present.

## **ARTICLE VIII Contracts**

**Section 1. Contracts:** All contracts entered in the name of the Association, within the normal course of business may be signed by the Executive Director in his capacity as Chief Executive Officer. Contracts entered into outside the normal course of business shall be authorized by the Board of Directors. The Executive Committee shall have the power to authorize such contracts in an amount not to exceed ten thousand dollars (\$10,000). All authorized contracts shall be executed by the Executive Director, when appropriate or by the President, or in the even that he is unable to do so, by the Vice President when such a signature is required.

## **ARTICLE IX Monies & Tenure**

**Section 1. Monies:** The monies of the Association shall be carried in the name of the Association in a bank or banks, named by the Board of Directors, or by the Executive Committee. All checks issued against the account of the Association shall be signed by the President, Vice President, Treasurer, or Executive Director. Only a single signature shall be required on checks issued in the normal course of business or required to pay for a contract approved by the Board of Directors. Other checks outside the normal course of business in excess of \$2,500 must be approved in advance by the President, Executive Vice President or Treasurer prior to check issuance.

**Section 2. Budget:** The Board of Directors shall ensure the timely preparation and approval of an annual budget, which will be documented, and quarterly reports will be made by the Treasurer to the Board of Directors.

**Section 3. Tenure:** This Association shall not be dissolved so long as ten (10) members in good standing object thereto. If, however, dissolution is agreed to, the Board of Directors shall provide

for the payment of all obligations and distribute any remaining assets in the following manner: first, to the affiliated local organizations based on a per capita formula; second, within its discretion to any other non-profit and tax exempt-related educational or charitable organization or institution.

### **ARTICLE X Amendment of the Bylaws**

**Section 1. Amendment to the Bylaws:** These Bylaws may be altered or amended at any regular or special meeting of the Board of Directors, provided that the members of the Board were notified in writing fourteen (14) days in advance of the meeting that such an item was on the agenda of the meeting. A two-thirds vote of those present at the meeting shall be required to adopt any such changes or amendment.

### **ARTICLE XI Indemnification**

Every director, officer or employee of this Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred or imposed upon the individual in connection with any proceeding to which the individual may be made a party, or in which the individual may become involved, by reason of the individual being or having been a director, officer or employee of this Association, or any settlement thereof, whether the individual is a director, officer or employee at the time such expenses are incurred, except in such cases wherein the director, officer, or employee is adjudged guilty of willful malfeasance in the performance of the individual duties. Provided, however, in the event of a settlement, the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such directors, officer or employee may be entitled.