

BYLAWS OF THE MID-ATLANTIC DUCATI OWNERS CLUB, LIMITED

The purpose of the Mid-Atlantic Ducati Owners Club is to foster the members' enjoyment of Ducati motorcycles either as owners or as aficionados in general. The purpose of the bylaws is to keep the Club's affairs orderly and to provide a simple framework for resolving any contentious issues so that the Club can focus on fun, no procedure. The bylaws are to serve the membership, not vice versa. It is hoped that all Club affairs can be conducted with common sense, tolerance, and humor.

ARTICLE 1: NAME

The name of the corporation shall be the "Mid-Atlantic Ducati Owners Club, Limited." This corporation (the "Club") is a not-for-profit corporation chartered under the laws of Virginia.

ARTICLE 2: OBJECTIVES

The objectives of the club are to provide social, recreational, and educational opportunities for the members and their guests, by, among other things, the following:

- a) holding regular meetings,
- b) conducting road rides,
- c) convening technical sessions,
- d) organizing and holding track days,
- e) supporting other responsible efforts to protect the rights of motorcyclists,
- f) promoting safe motorcycling,
- g) conducting charitable and community service projects, and
- h) engaging in liaison with other motorcycling organizations.

ARTICLE 3: MEMBERSHIP

Section 1: Qualifications

Membership in the Club is open to anyone with an interest in Ducati motorcycles who subscribes to the objectives of the Club and agrees to abide by its bylaws, and is without regard to race, creed, national origin, or sex.

Section 2: Type of Membership

There is only one category of member—full member. Membership is open to all, without regard to ownership of a Ducati or other motorcycle.

Section 3: Term of Membership

Membership shall be for a period of 12 months, from April 1st of each year.

Section 4: Dues

Annual dues shall be twenty dollars (\$20.00) for the first family member and ten dollars (\$10.00) additional for each family member thereafter. Dues will not be pro rated for people joining during the membership year.

Section 5: Evidence of Membership

As evidence of membership in the Club, each member shall be issued a membership card for each fiscal year (April 1 through March 31) in which dues are fully paid.

Section 6: Revocation of Membership

Membership in the Club may be revoked as follows:

- a) By the Treasurer if the member in question fails to pay annual dues prior to the expiration of his or her current membership.
- b) By a two-thirds (2/3) majority vote of the Club members present at a regularly scheduled meeting at which there is a quorum, provided that the member whose membership is to be revoked has been given at least two weeks advanced notice of the purpose of the meeting and the basis for the proposed revocation.

Any Club member may initiate a revocation procedure by providing a written statement to the Secretary of the Club identifying the member proposed for expulsion and setting forth the basis for the proposed expulsion. Basis may include, but are not limited to, grossly improper social conduct, intentional efforts to damage the Club's reputation or subvert its purposes or interfere with its regular functioning, or unsafe operation of a motorcycle on Club rides or other events.

The person whose membership revocation is being discussed shall be invited to attend the meeting, and will be allowed to respond to the charges in person or by proxy or written statement. Persons other than the person whose revocation is being discussed may speak in favor of or in opposition of the revocation. The duration of all discussion on a proposed revocation shall not exceed one (1) hour, after which a vote shall be taken. The vote is final and the revocation shall become effective immediately.

A person whose membership is revoked shall not be entitled to any dues refund and shall promptly return any Club property in his or her possession.

A person who has had his or her membership revoked may reapply for membership six months after the effective date of the revocation. Any such reapplication shall contain a statement that the applicant previously has had his or her Club membership revoked and

the reason therefore. The membership application of the person reapplying may be rejected only by a unanimous vote to reject by all of the serving officers of the club.

ARTICLE 4: MEETINGS

Section 1: Basic Principles Regarding Meetings

Meetings can be held at any time and at any place. Advanced notice of quarterly and other business meetings should be posted on the Club's internet home page at least two weeks in advance. Notice of recreational meetings should be posted reasonably well in advance to facilitate members' scheduling. Robert's Rules of Order shall govern the conduct of business meetings. All meetings shall be open to members.

Section 2: Recreational Meetings

Recreational meetings are the reason for the Club's existence.

To the extent possible, the Club shall hold one ride per month on the second Sunday of the month.

Other meetings/events may be scheduled as the membership desires.

There shall be no hazing or other coercion exercised by any member upon another during any Club meeting or event. An example of this might be the desire of some members to ride at a speed with may make other member uncomfortable. Any member who feels uncomfortable shall have the right to approach the leader of the ride or other event who must then make suitable arrangements to ensure the comfort of all members of the group. In the previous example, a solution might be to split the group into two after finding a volunteer to lead the second group.

In no case shall any member be abandoned by the group.

The Club may publish further guidelines for rides or other events and may revise those guidelines as circumstances and experience warrant.

Section 3: Business Meetings/Quorum/Voting

At least one business meeting shall be held each calendar quarter.

The agenda for the business meeting shall be distributed to members using the Club's e-mail system, and distributed at the meeting.

Business meetings shall be conducted by the President or in his or her absence by the Vice President. In the absence of both the President and Vice President, business meetings may be conducted by the Secretary or Treasurer.

A quorum for transacting business shall consist of not less than fifteen (15) members in good standing or twenty-five percent (25%) of the members in good standing, whichever is less. A member is in good standing if his or her current dues are paid in full.

Unless provided otherwise in these bylaws, decisions of the Club shall be made by simple majority vote of the members present and may be by voice vote, provided however, that any member present at a business meeting may request that a vote be taken and tallied by a show of hands, and that if three members present so request, a vote may be taken by secret ballot, with counting of the ballots to be by one Club officer and one non-officer.

Only members in good standing shall be eligible to vote.

ARTICLE 5: GOVERNANCE

Section 1: General

The duty of any office holder shall be to administer the affairs of the Club in the best interests of the membership at large and in conformance with the Club's articles of incorporation, bylaws, and applicable law.

Section 2: Private Gain Prohibited/Non-Use of Membership List

No office holder or other Club member shall use his or her office or membership for private gain. It shall be absolutely forbidden to use the Club membership list for any purpose than Club business or to distribute the Club membership list to a non-member without the prior approval of the membership at large by a vote at a regularly scheduled business meeting.

Section 3: Structure

The Board of Directors of the Club shall consist of the President, Vice President, Secretary, and Treasurer.

The Club members may establish additional officers by a majority vote at a regularly scheduled business meeting. Examples of such additional officers are Newsletter Editor, Road Captain(s), or Technical Officer. The creation of additional officers does not expand the membership of the Board of Directors. Similarly, standing committees may be created by a majority vote at a regularly scheduled business meeting. Neither committee chairs nor committee members are members of the Board by virtue of their service on a committee.

Section 4: Duties of Principle Officers

The duties of the holders of the four principle offices (President, Vice President, Secretary and Treasurer) shall be the duties legally and traditionally assigned to those offices, including the following.

Section 4.a: Duties of the President

The duties of the President shall be to:

preside at all meetings of the Club,
exercise general supervision over the affairs of the Club,
oversee and coordinate the work of the other Board members and committees,
assist all other officers of the Club in their duties, and
co-sign checks on the Club's account under the conditions established by these bylaws

Section 4.b: Duties of the Vice President

The duties of the Vice President shall be to:

by the consent of the President, perform the duties of the President whenever the President is absent or otherwise unable to discharge the duties of that office,
in the even the Presidency becomes vacant, serve as Acting President until a permanent replacement is chosen by the membership, and
carry out such other tasks as may be assigned by the President.

Section 4.c: Duties of the Secretary

The secretary is the chief administrative officer of the Club and is responsible for maintenance of the legal records of the Club. The secretary shall perform all corporate duties as prescribed by the applicable laws of the State of Virginia (this duty is not delegable). The Secretary shall:

keep the Club's Corporate Seal and all legal documents relating to the Club, including the Articles of Incorporation, the Club's bylaws, Corporate Charter Certificate, and tax exemption documents, etc.,
attend all regular and special business meetings, take and keep summary minutes of those meetings, or delegate these duties if unable to attend,

record all officer and committee appointments and the results of elections and cause them to be posted on the Club web site or distributed to members via e-mail.

ensure that all members who have been nominated for elected positions are notified promptly of their nominations, and shall pass those members' acceptance or rejection of their nominations promptly to the other members of the Board of Directors,

send out notices of regular and special meetings via e-mail and assure that notice of such meetings is also posted on the Club's home page,

handle all Club correspondence, and

perform such other duties as generally fall to the office of Secretary.

In the event neither the President nor the Vice President is able to discharge the duties of his or her respective office, the Secretary shall act as the President and shall perform the duties of the President as stated in section 4.a, Duties of the President.

Section 4.d: Duties of the Treasurer

The Treasurer is the chief financial officer of the Club and is responsible for the monitoring and reporting of all of its finances.

The Treasurer shall:

keep up-to-date records of the Club's finances and deliver reports on a timely basis (this duty is not delegable),

maintain the Club's bank accounts,

collect dues from all of the members,

collect all other monies due to the Club, and

co-sign checks of the Club with the President as required by these bylaws (this duty is not delegable).

Section 5: Delegation of Duties

Any duties not mandated by the laws of the State of Virginia or these bylaws to be non-delegable may be delegated to any Club member who volunteers. Performance of such delegated duties does not entitle that volunteer to membership in the Board of Directors.

Section 6: Terms of Office

The term of all officers and other elected positions shall be 24 months. No club member may hold more than one elective office at the same time or hold the same elective office more than three consecutive terms. The term of office shall be from January 1 through December 31 of the following year.

In the event any officer shall cease to be a member of the Club before the end of his or her term of office, a special election to fill the remainder of that person's term of office shall be held at the next regularly scheduled business meeting.

Section 7: Removal from Office

Any officer may be removed from office by two-thirds majority vote of the members present and voting at a regularly scheduled business meeting of the Club, provided that written notice of the intent to remove was provided to the officer at least two weeks in advance of the meeting and that such notice was published in the notice of the meeting in question.

Section 8: Committees

Each committee shall elect its own officers as it sees fit, and shall keep its own summary minutes, a copy of which shall be sent to the Secretary not later than one week after each committee meeting.

Committees cannot commit the Club to expenditures, but must propose same to the Treasurer who in his or her discretion and upon co-signing by the President in accordance with these bylaws may enter into such expense.

Any Committee may be dissolved by two-thirds majority of the membership present and voting at any regularly scheduled business meeting, provided notice of the proposed dissolution was provided to the chair of the Committee in question not later than two weeks in advance of the meeting and that notice of the proposed dissolution was contained in the notice of the meeting.

ARTICLE 6: ELECTIONS

Section 1: Who Can Vote

All members in good standing may vote in Club elections.

Section 2: Who Can Be Elected

Any member of the Club in good standing who has been a member for six (6) months can be elected.

Section 3: Nominating Procedures

Nominations shall be sought by the Board of Directors in February of each calendar year. No self nominations are allowed. Nominations must be for specific office. Nominations must be seconded. A member need not be present to be nominated. Nominees may decline their nominations, but should do so as soon as possible after being nominated.

Each office shall have at least two names in nomination. If less than the required number is nominated by members at large, the Board of Directors shall place sufficient names in nomination to satisfy the minimum required number of nominees.

Section 4: Balloting

Election of officers shall be by electronic voting, using the Club's web site survey system, or by submission of a paper ballot, faxed or mailed to the Club secretary by the election deadline. Each member is entitled to one vote for each officer position.

Section 5: Determination and Announcement of the Election Results

For each office, the candidate receiving the greatest number of votes shall be the ones elected. Ballots shall be tallied by the secretary and the Vice President. In the event of a tie, a runoff election shall be held as soon as possible. In the interim, the incumbent office-holder shall remain in an acting capacity. The official election results shall be published on the club's home web page.

ARTICLE 7: INCOME DISTRIBUTION AND FINANCIAL POLICIES

Section 1: Non-profit Status

The Club shall make no distribution of income to its officers or other members.

Section 2: Purchasing Policy

The Club shall not purchase goods or services from any club member unless such purchase is approved by the Board of Directors. Notice of any such approval shall be distributed to members via e-mail.

The Club shall make no purchase or otherwise enter into any financial obligation exceeding five hundred dollars (\$1000.00) without the prior approval of a majority of the members present at a regularly scheduled business meeting.

Section 3: Hiring Policy

The Club's work is intended to be performed by unpaid volunteers to the maximum practical extent. The Club shall not hire any of its members unless approved by a majority vote of the members present at a regularly scheduled business meeting.

Section 4: Advances/Reimbursements

Advances for reasonable expenses may be obtained upon approval of the Board of Directors. However, a majority vote of the members present at a regularly scheduled business meeting shall be required for any advance exceeding five hundred dollars (\$1000.00). Any advance shall be settled with the Treasurer not later than three (3) weeks after the expense for which the advance was granted is incurred.

The Club shall reimburse its office holders for reasonable and necessary telephone, mail, and office supply expenses incurred in the performance of their duties. No such expense exceeding \$500.00 shall be reimbursed unless prior approval is obtained from two of the four members of the Board of Directors. No expense shall be reimbursed without a timely expense report supported by receipts. No travel expenses or capital goods purchases shall be reimbursed unless prior approval of the board of directors has been obtained.

Section 5: Bank Accounts

The number and use of the Club bank accounts shall be at the discretion of the Club Treasurer. The President and Treasurer shall be required to co-sign all checks exceeding fifty dollars (\$1000.00).

ARTICLE 8: REVISION OF BYLAWS

All amendments or revisions to these bylaws shall be presented to the President in writing and shall include the submitting member's signature. Any amendment or revision shall be in exact wording desired and shall be accompanied by a short description of its purpose.

Any amendment or revision so offered shall be published on the Club web site and a copy distributed to members via e-mail.

The amendment shall be called to a vote at the next regularly scheduled Club business meeting following its publication.

An amendment shall be adopted at that business meeting if at least thirty five percent (35%) of the membership eligible to vote is present and the vote **at > to** adopt carries a seventy-five percent (75%) majority of the voting membership present at the meeting.

In the event that the required 35% membership attendance at the business meeting cannot be achieved, electronic voting using the Club web site's survey system may be used as a

substitute. The same participation and majority percentages noted above will still apply to this electronic voting procedure.

ARTICLE 9: TERM AND DISSOLUTION

Section 1: Term

The term of the Club shall be perpetual, except as provided for in section 2 of this article.

Section 2: Dissolution

The Club may be dissolved if it is the unanimous opinion of the Board of Directors that such action is either desirable or necessary.

Bankruptcy or a merger with another organization are possible examples of reasons for dissolution.

Unless the dissolution is due to bankruptcy, the decision to dissolve the Club must be made at a business meeting called specifically for that purpose. The Club shall be dissolved if at least thirty five percent (35%) of the membership eligible to vote is present at the meeting and the vote to dissolve carries by seventy-five percent (75%) majority of the voting membership present at the meeting. An electronic voting procedure, similar to that noted in Article 8, may be used in the event the required attendance at the business meeting cannot be achieved.

Section 3: Disposition of Assets

In the event of dissolution of the Club, the Board of Directors shall appoint a receiver who shall dispose of the Club's assets as follows.

- a) Non-member creditors of the Club shall have first claim on the Club's assets or proceeds of the sale thereof.
- b) Office holders and other members of the Club with approved and pending expense reports shall have next claim.
- c) Any assets or proceeds from the sale thereof remaining after satisfying the above-referenced creditors shall be donated to an appropriate charitable organization approved by the Board of Directors.

If necessary, the Board of Directors may sell Club assets for fair market value to convert them into cash for distribution in accordance with this section.

ARTICLE 10: UNDEFINED POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall have the power to do anything that is not specifically prohibited by the preceding articles, but must act in the best interests of the Club membership as stated in Article 5, Section 1.