

## **ZONE 2 OF THE PORSCHE CLUB OF AMERICA, INC.**

(A Virginia Nonstock Corporation)

### **BYLAWS**

Adopted: April 17, 2010

#### **ARTICLE I: OBJECTIVES**

1.1. Primary Objective. The primary purpose of Zone 2 of the Porsche Club of America, Inc. ("Zone 2") is to foster cooperation and coordination among the regions ("Regions") of Porsche Club of America, Inc. ("PCA National") that PCA National assigns from time to time to its zone designated as "Zone 2 Mid-Atlantic" (each a "Zone 2 Region"). As of the date of these Bylaws, the Zone 2 Regions are Blue Ridge, Central Pennsylvania, Chesapeake, Delaware, First Settlers, Keystone, Pocono, Potomac, Riesentöter and Shenandoah.

1.2. Other Objectives. Zone 2 shall provide a forum for the duly elected officers of the Zone 2 Regions to share information, to identify and adopt the best practices of other Regions, and otherwise to assist those officers in meeting the objectives of the Zone 2 Regions that elected them, which generally include furthering and promoting the following:

1.2.1. The highest standards of courtesy and safety on the roads.

1.2.2. The enjoyment and sharing of goodwill and fellowship engendered by owning a Porsche automobile and engaging in such social or other events as may be agreeable to the membership.

1.2.3. The maintenance of the highest standards of operation and performance of the Porsche marque by sharing and exchanging technical and mechanical information.

1.2.4. The establishment and maintenance of mutually beneficial relationships with the Porsche Cars North America, Porsche dealers, and other service sources to the end that the Porsche marque shall prosper and continue to enjoy its unique leadership and position in sports car annals.

1.2.5. The interchange of ideas and suggestions with other Porsche clubs throughout the world and in such cooperation as may be desirable.

1.2.6. The establishment of such mutually cooperative relationships with other car clubs as may be desirable.

1.2.7. To provide an organization for the Members and other regions of PCA National to sponsor such activities, as they deem appropriate and in the best interests of their respective members, including autocross, driver education, club racing, concours, rally, and charity events.

1.2.8. To implement those rules and regulations which may from time to time, be established by the PCA National.

1.3. Non-Profit Status. Zone 2 is intended to be exempt from federal income tax in accordance with section 501(c)(7) of the Internal Revenue Code, or the corresponding section of any future federal tax code, and shall not carry on any activity not permitted to be carried on by an organization that is so exempt.

## **ARTICLE II: BOARD OF DIRECTORS**

2.1. Members. The duly elected President of each Zone 2 Region and the Zone 2 Representative appointed by the Executive Council of PCA National shall constitute the Board of Directors of Zone 2. The Zone 2 Representative shall serve as the Chairman of the Board. The business and affairs of Zone 2 shall be managed by the Board.

2.2. Meetings.

2.2.1. Place. Meetings of the Board shall be held at such place as the Board may from time to time appoint or as may be designated in the notice of the meeting.

2.2.2. Regular Meetings. A regular meeting of the Board shall be held no less often than twice each year. Attendance at the meeting may be by conference telephone.

2.2.3. Special Meetings. Special meetings of the Board may be called at any time by the Zone 2 Representative and shall be called on the written request of at least three members of the Board. Notice of the time and place of each special meeting shall be given to each member of the Board at least two days before the meeting. Attendance at the meeting may be by conference telephone.

2.2.4. Quorum. A simple majority of the members of the Board in office shall constitute a quorum for the transaction of business at any meeting and except as otherwise provided herein the acts of a majority of the Board present at any meeting at which a quorum is present shall be the acts of the Board.

2.3. Committees. The Board may, by resolution adopted by a majority of the Board, establish one or more committees. Each committee shall consist of two or more members of the Board as may be designated by the Board. To the extent provided in such resolution, any such committee shall have and exercise the powers of the Board except as may be limited by the Virginia Nonstock Corporation Act ("VNCA").

## **ARTICLE III: OFFICERS**

3.1. Positions. The officers of Zone 2 shall be the Chairman of the Board who is the Zone 2 Representative, Secretary and Treasurer. No person may hold more than one office at a time. In addition to the powers and duties set forth in these Bylaws, each officer shall have such powers and duties as the Board may from time to time determine. The Secretary and Treasurer shall be elected in odd number years at a regular meeting of the Board and shall serve for a term of two years or until their successors are elected and have qualified. The Board may remove the Secretary or the Treasurer at any time, with or without cause. Vacancies may be filled by the Board at any regular meeting or any special meeting called for that purpose. The officers shall be members of a Zone 2 Region.

3.1.1. Chairman of the Board. The Chairman of the Board shall chair meetings of the Board and shall supervise, direct and manage the business and affairs of Zone 2.

3.1.2. Secretary. The Secretary shall keep the minutes of all meetings of the Board and shall have charge and custody of the records of the Board and Zone 2.

3.1.3. Treasurer. The Treasurer shall have charge and custody of all funds of

Zone 2, shall maintain an accurate, double-entry accounting system that shall properly reflect the true and correct status of all receipts, disbursements, balances, assets and liabilities of Zone 2. The Treasurer shall present financial reports to the Board in such manner as the Board may from time to time determine and file all required reports with, and cause Zone 2 to pay all taxes and fees to, the governmental bodies that have jurisdiction over Zone 2.

## **ARTICLE IV: POLICIES**

4.1. Conflict of Interest Policy. The Board shall adopt a Conflict of Interest Policy, detailing the duties owed by the Board. The Conflict of Interest Policy shall (i) define conflicts of interest between Board members and the actual or perceived interest of Zone 2, (ii) describe the procedure for Board members to disclose conflicts of interest to the Board and (iii) provide what actions the Board may take after such disclosure has been made.

4.2. Amendment or Repeal of Conflict of Interest Policy. The Conflict of Interest Policy shall not be amended or repealed except by a two-thirds vote of the entire Board.

4.3. Other Policies. The Board may from time to time adopt a Code of Ethics and Whistleblower Policy, a Document Retention Policy and such other policies as from time to time it determines to be useful to Zone 2.

## **ARTICLE V: INDEMNIFICATION**

5.1. Right to Indemnification. Zone 2 shall, to the fullest extent now or hereafter permitted by law, indemnify any person made, or threatened to be made, a party to any action or proceeding by reason of the fact that he or she is or was a Board member against judgments, fines, amounts paid in settlement, and reasonable expenses (including attorney's fees) reasonably incurred by such person in connection with such proceeding or threat of proceeding. If a Board member is entitled to indemnification in respect of a portion, but not all of the liabilities to which he or she may be subject, Zone 2 shall indemnify only for such portion of the liabilities incurred by reason of the fact that he or she is or was a Board member.

5.2. Advance of Expenses. Zone 2 shall pay expenses (including attorney's fees) incurred in defending any action or proceeding referred to in Section 5.1 in advance of the final disposition of the action or proceeding if the Board member furnishes Zone 2 (a) a written statement of his or her good faith belief that he or she is entitled to be indemnified by Zone 2 under applicable law and (b) a written undertaking, executed personally or on his or her behalf, to repay the advance if it is ultimately determined that he or she is not entitled to be indemnified by Zone 2 under applicable law.

5.3. Contractual Obligation. The obligations of Zone 2 to indemnify a Board member under this Article V, including the duty to advance expenses, shall be considered a contract between Zone 2 and such Board member, and no modification or repeal of any provision of this Article V shall affect, to the detriment of the Board member, such obligations of Zone 2 in connection with a claim based on any act or failure to act occurring before such modification or repeal.

5.4. Indemnification Not Exclusive; Inuring of Benefit. The indemnification and advancement of expenses provided by this Article V shall not be deemed exclusive of any other right to which one indemnified may be entitled under any statute, agreement, vote of the Board or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall inure to the benefit of the heirs, legal representatives and estate of any such person. The Board shall have the power to give other indemnification to the extent not prohibited by applicable law.

## **ARTICLE VI: ACCOUNTS**

6.1. Fiscal Year. The fiscal year of Zone 2 shall begin on the first day of January and end on the thirty-first day of December.

6.2. Books. The Treasurer shall properly maintain the books and records to reflect financial receipts, disbursements, balances, assets and liabilities of Zone 2. No less often than quarterly, the Treasurer shall submit the financial statement of Zone 2 to the Board.

6.3. Audit. The Board, at such times and for such periods as it deems appropriate, shall select a certified public accountant or audit committee to perform an audit of the books of Zone 2 or to review and consult as to Zone 2's financial records.

6.4. Funds. The funds of Zone 2 shall be deposited in one or more banks or other depositories insured by the Federal Deposit Insurance Corporation and designated by the Board.

6.5. Financial Orders. Checks and other orders for the payment of funds in the name of Zone shall be signed by the Treasurer and such other persons as the Board may designate, if any.

6.6. Authority to Incur Obligations. Only the Chairman of the Board, the Treasurer or a member of the Board who is authorized by the Board may incur any obligation in the name of Zone 2 or expend any of Zone 2's funds. All obligations incurred in accordance with these Bylaws shall be solely corporate obligations and no personal liability whatever shall attach to or be incurred by any member of the Board or Officer of Zone 2 by reason thereof.

6.6.1. General Limit. No person authorized to incur an obligation in the name of Zone 2 or make an expenditure of Zone 2's funds (each a "payment") shall make a payment in excess of \$500 without the prior approval of the Board unless the payment shall be reflected on a detailed budget of Zone 2 that has been adopted by the affirmative vote of two-thirds of the entire Board.

6.6.2. Special Limit. Notwithstanding Section 6.6.1, if a person authorized to make a payment proposes to make a payment in excess of \$500, he or she shall give written notice to the Board describing in detail the amount and purpose of the proposed payment. Unless within fourteen (14) days after such notice three or more members of the Board give written notice to such person and the Board that they object to the payment, the payment may be made on and after the fifteenth (15th) day. If three or more members of the Board object within the fourteen (14) day period, the payment shall not be made unless and until the Board shall have approved it.

6.7. Surplus Funds. As soon as reasonable after the close of each fiscal year, all funds of Zone 2 other than funds determined to be necessary for the continued operation of Zone 2 by the affirmative vote of two-thirds of the entire Board shall be distributed equally among the Zone 2 Regions or on such other basis as the Board may decide. The Board may contribute such surplus funds to a recognized charity in lieu of all or part of the distribution.

6.8. Contracts. The Board may authorize any member of the Board to enter into any contract or to execute or deliver any instrument on behalf of Zone 2.

## **ARTICLE VII: AMENDMENT OF BYLAWS**

These Bylaws may be amended by an affirmative vote of two-thirds of the entire Board.