

AUTOMOTIVE SERVICE ASSOCIATION OF TEXAS, INC.

BYLAWS

ARTICLE I.

NAME AND LOCATION

Section 1. NAME. The name of this Association shall be the **AUTOMOTIVE SERVICE ASSOCIATION OF TEXAS, INC.** (Association), a nonprofit corporation incorporated in the State of Texas.

Section 2. LOCATION. The Association shall maintain an office within the borders of the state of Texas. The Association may have such other offices as may from time to time be designated by the Board of Directors.

ARTICLE II.

PURPOSES

Section 1. PURPOSES. The purposes of this Association shall be:

- 1.1 To promote the common business interests of those engaged in the automotive service industry.
- 1.2 To consider and deal by all lawful means with common problems of management involved in all functions of the automotive service industry, and to foster cooperative action of activities designed to enable the industry to be conducted with the greatest economy and efficiency.
- 1.3 To afford due consideration and expression of opinion upon questions affecting the industry and the State, and to promote the common business interest of the industry.
- 1.4 To cooperate with other industries and organizations.

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ARTICLE III.

MEMBERSHIP

Section 1. MEMBERSHIP CATEGORIES. The Association shall be composed of four categories of members. The designation of such categories and the qualifications of such members of such categories shall be as follows:

1.1 Direct Members shall be automotive service businesses located in the State of Texas.

1.2 Associate Members shall be businesses which supply goods, equipment or services to the automotive service industry, and whose trade area includes the State of Texas.

1.3 Educational Members shall be individuals involved in the automotive vocational training or continuing education in the State of Texas.

1.4 Honorary Members shall be individuals selected by the affirmative vote of at least two-thirds of the then members of the Board of Directors of the Association who have rendered efforts on behalf of the automotive service industry or the Association that merit special recognition by the Association.

Section 2. ELIGIBILITY FOR MEMBERSHIP. Each individual, firm or corporation which meets the definitions of an appropriate category of membership other than Honorary shall be eligible for membership upon the filing of an application for membership on a form as may be adopted from time to time by the Board of Directors and the meeting of such other uniform requirements as may be otherwise established by the Board of Directors. All applicants for membership shall agree as a condition of consideration of the application and continued membership to abide by these Bylaws and all policies, procedures, rules and regulations that the Board of Directors may establish from time to time.

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Section 3. ACCEPTANCE. If on verification, or as otherwise may be requested, all membership requirements are shown to have been satisfied, the President or the President's designee may approve the application.

Section 4. DETERMINING STATUS. The Board of Directors may periodically require any member to supply information, on forms provided by the Association, necessary to determine the proper status of the member. If a member, based on the information supplied or on other information, is qualified for a different class of membership from that currently held, the member shall be reclassified, notified to that effect, and treated accordingly.

Section 5. RESIGNATIONS. The resignation of a member in good standing shall not be accepted unless thirty (30) days' notice in writing has been given to the Association, and all dues and other obligations to the Association have been paid or satisfied in full.

Section 6. TERMINATION OF MEMBERSHIP. The Board of Directors by affirmative vote of two-thirds of its members may suspend or expel a member for cause after an appropriate hearing and may by a majority vote of those present at any regularly-constituted meeting, terminate the membership of any member who becomes ineligible for membership, or suspend or expel any member who shall be in default in the payment of dues.

Section 7. EFFECT OF MEMBERSHIP TERMINATION. In the event any member resigns, is suspended, or is otherwise terminated in membership, such former member shall immediately thereupon cease and desist in the use of any Association insignia or emblems or in any other way holding itself out as being a member of or affiliated with the Association.

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Section 8. MEMBERSHIP RIGHTS AND PRIVILEGES. Each category of membership shall have such rights and privileges consistent with these Bylaws as the Board of Directors may from time to time determine. Each Direct Member shall be entitled to one (1) vote on each matter submitted to a vote of the members. Associate and Educational Members shall be nonvoting. Only Direct Members may hold elective office in the Association. As a condition of application and of membership, each applicant or member agrees to waive and release each and every claim, demand or action the applicant member, its officers, directors, employees or agents have or may have against the Association, its officers, directors, employees or agents arising in any way as a result of an application for a membership in the Association. Such claims include but are not limited to any matters relating to ethics, suspension or termination of membership.

Section 9. TRANSFER OR MEMBERSHIP. Membership in this Association is not transferable or assignable.

ARTICLE IV.

DUES, FEES AND ASSESSMENTS

Section 1. DUES, FEES AND ASSESSMENTS. Dues, fees and assessments for each member shall be determined by the Board of Directors, with payment to be made directly to AUTOMOTIVE SERVICE ASSOCIATION OF TEXAS. State dues will be adjusted annually to reflect the movement of the Consumer Price Index as published in the Wall Street Journal in January of each year.

Section 2. FAILURE TO PAY. Members who fail to pay their dues, fees and assessments within sixty (60) days from the time that they become due shall be notified and if payment is not made within the next succeeding thirty (30) days, shall be

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automatically dropped from membership and shall, thereupon, forfeit all rights and privileges of membership.

ARTICLE V.

MEETINGS OF THE ASSOCIATION

Section 1. ANNUAL MEETINGS. There shall be an Annual Meeting of the Association to be held at a time and place designated by the Board of Directors.

Section 2. SPECIAL MEETINGS. A majority of the members of the Board of Directors then serving may call a Special Meeting of the Association at any time.

Section 3. NOTICE OF MEETINGS. Written notice stating the place, date and hour of any meeting of the Association shall be delivered to each member entitled to vote at such meeting not less than twenty (20) nor more than fifty (50) days before the date of such meeting. In case of a Special Meeting, or when required by statute or by these Bylaws, the purpose for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States Mail addressed to the member at his or her address as it appears on the record of the Association, with the proper postage thereon prepaid. If delivered by electronic means, the notice of a meeting shall be deemed delivered when the recipient replies. Any notice sent by electronic means shall contain the words: 'In accordance with the Bylaws of the Automotive Service Association of Texas, a reply to this notice must be received by the sender for this notice to be deemed delivered.'

Section 4. RECORD DATE. The record date for any meeting of the members shall be the date on which notice is delivered.

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Section 5. QUORUM. The members present at any duly called meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting at any time without further notice. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting. Withdrawal of members from any meeting shall not cause failure of a duly constituted quorum at that meeting.

Section 6. PROXIES. Each member entitled to vote at a meeting of members or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him or her by proxy executed in writing. Such proxy shall be valid for only one (1) Annual or Special Meeting.

ARTICLE VI.

BOARD OF DIRECTORS

Section 1. AUTHORITY AND RESPONSIBILITY. The governing body of the Association shall be the Board of Directors. The Board of Directors shall have supervision, control and direction of the affairs of the Association; shall determine its policies or changes therein; shall actively prosecute its purposes; and shall supervise the disbursement of funds. The Board may adopt such rules and regulations for the conduct of its business as may be deemed advisable, and may in the execution of the powers granted hereby delegate certain of its authority and responsibility to the Executive Committee.

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Section 2. NUMBER. The Board of Directors shall consist of eight (8) voting members. These are the Immediate Past President, the four (4) Officers, and the three (3) Regional Directors.

Section 3. TERMS OF OFFICE AND MANNER OF ELECTION. The Regional Directors shall be elected for two-year terms, Region Two(2) Director to be elected in even-numbered years and Region One (1) Director and Region Three (3) Director to be elected in odd-numbered years. The President, President-Elect, Vice President and Secretary/Treasurer shall be ex officio Directors of the Association during their respective terms of office.

Section 4. QUORUM. A majority of the then serving members of the Board of Directors shall constitute a quorum at any meeting of the Board. If a quorum is not present, a majority of those Directors present may adjourn the meeting from time to time, without further notice, until a quorum is present.

Section 5. RESIGNATION OR REMOVAL. Any Director may resign at any time by giving written notice to the President and the Executive Director. Such resignation shall take effect at the time specified therein, or if no time is specified, at the time of acceptance thereof as determined by the President or the Board. Any member of the Board unable to attend a meeting shall advise the President as to the reason of the absence. If a Director misses two (2) consecutive meetings for reasons which the Board declares to be insufficient, the Director shall be deemed to have resigned as a Director. A Director may be removed from office with cause by two-thirds affirmative vote by the Board of Directors at any Regular or Special Meeting of the Board at which a quorum is present.

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Section 6. VACANCIES. Vacancies among Regional Directors may be filled for the balance of the remaining term of appointment by the President to be ratified by the Board of Directors at any Regular or Special Meeting.

Section 7. ANNUAL MEETING. An Annual Meeting of the Board of Directors shall be held without other notice than these Bylaws in conjunction with and at the same place as the Annual Meeting of members.

Section 8. OTHER REGULAR MEETINGS. The Board of Directors may provide by Resolution the time and place for the holding of additional Regular Meetings of the Board without other notice than such Resolution.

Section 9. SPECIAL MEETINGS. Special Meetings of the Board of Directors may be called by or at the request of the President or a majority of the Directors then serving. The person or persons authorized to call Special Meetings of the Board may fix any place within the State of Texas as the place of holding any Special Meeting of the Board called by them.

Section 10. NOTICE.

10.1 Notice of any Special Meeting of the Board of Directors shall be given at least ten (10) days previous thereto by written notice to each Director at the address shown for such Director on the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail in a sealed envelope so addressed and with postage thereon prepaid. If notice shall be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. If delivered by electronic means, the notice of a meeting shall be deemed delivered when the recipient replies. Any notice sent by electronic means shall contain the words: 'In accordance with the Bylaws of the Automotive Service

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Association of Texas, a reply to this notice must be received by the sender for this notice to be deemed delivered.' Notice of any Special Meeting of the Board of Directors may be waived in writing signed by the person or persons entitled to such notice either before or after the time of the meeting.

10.2 The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at nor the purpose of any Regular or Special Meeting of the Board need to be specified in the notice or waiver or notice of such meeting unless specifically required by law or by these Bylaws.

Section 11. ATTENDANCE BY TELEPHONE. Directors may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

Section 12. REGIONAL DIRECTORS. The State of Texas shall be divided by the Board of Directors into three (3) geographical Regions. One (1) Regional Director shall be elected from each Region by the Direct Members of the Association located in such Region. The time and method of elections shall be specified by the Board of Directors. The geographic configurations of each Region may be changed from time to time by the Board of Directors at its Annual Meeting.

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ARTICLE VII.

OFFICERS

Section 1. OFFICERS. The elective Officers for the Association shall be the President, the President-Elect, the Vice President and the Secretary/Treasurer. The Officers shall be elected by the membership of the Association at the Annual Meeting.

Section 2. ELIGIBILITY TO SERVE AS AN OFFICER. To be eligible for election as an Officer, a person at the time of election must have served for at least one (1) year as a member of the Board.

Section 3. TERM OF OFFICE. Each elected Officer shall take office upon election and shall serve for a term of two (2) years and until a successor is duly elected. The President, after the completion of the term in office as such, shall automatically assume the office of Immediate Past President.

Section 4. REMOVAL. Any Officer or agent elected or appointed by the Board of Directors may be removed by the affirmative vote of at least three-fourths of the members of the Board of Directors, whenever in its judgment the best interest of the Association shall be served by such action.

Section 5. VACANCIES. Vacancies in any office may be filled for the balance of the remaining term by appointment by the President to be ratified by the Board of Directors at any Regular or Special Meeting.

Section 6. PRESIDENT. The President shall be the chief elected Officer of the Association, shall preside at meetings of the Association and the Board of Directors, and shall be a member ex officio of all Committees except the Nominating Committee. The President shall also, at the Annual Meeting of the Association and at other such times as deemed proper, communicate to the membership and to the Board of Directors such matters and make

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such suggestions as may tend to promote the welfare and increase the usefulness of the Association. He or she shall perform such duties as are necessarily incident to the office of President or as may be specified by the Board of Directors.

Section 7. PRESIDENT-ELECT. The President-Elect may be designated by the President or the Board of Directors to perform the President's duties in the event of the President's temporary disability or absence from meetings and shall perform such other duties as may be specified by the President or the Board of Directors.

Section 8. VICE PRESIDENT. The Vice President shall assist the President in the discharge of the President's duties as the President may direct and shall perform such other duties as from time to time may be assigned by the Board of Directors.

Section 9. SECRETARY/TREASURER. The Secretary/Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; shall see that the Minutes of the Meetings of the Board of Directors are kept; shall see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; shall be custodian of the corporate records and in general perform all duties as from time to time may be assigned by the President or the Board of Directors. Any of the Secretary/Treasurer duties may be delegated by the Board of Directors to the Executive Director.

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ARTICLE VIII.

CHAPTERS

Section 1. CHAPTERS. A Chapter of the Association may be formed by five (5) or more members in an area or city, provided that a majority of those members in an area or city elect to do so, with the stipulation that they have and maintain ten (10) members within twelve (12) months.

Section 2. RIGHTS. A Chapter shall be eligible to participate in the affairs of the Association, provided it is organized consistent with these Bylaws.

Section 3. DUES. A Chapter may establish its own dues structure, provided that the amount of the dues does not act as a deterrent against membership.

Section 4. RULES.

4.1 A Chapter shall have the right to govern itself insofar as its Bylaws or conduct do not conflict with the Bylaws and rules of the Association.

4.2 A Chapter shall hold no fewer than four (4) chapter meetings in a calendar year.

4.3 A Chapter shall have no fewer than three (3) Executive board members.

Section 5. DUTIES. Each Chapter shall submit a report of each chapter meeting held, to the Association.

Section 6. RESIGNATION.

6.1 Should a Chapter for any reason become separate from the Association, that Chapter shall surrender all Association insignia, signs, trademarks, records, money, or any other property of the Association to the President, or to any representative appointed by the President to perform this duty.

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6.2 Should a Chapter become inactive by not abiding with the Bylaws of the Association, the Chapter shall surrender all Association insignia, signs, trademarks, records, money, or any other property of the Association to the State President, or to any representative appointed by the President to perform this duty.

ARTICLE IX.

COMMITTEES

Section 1. APPOINTMENT. The President, subject to the approval of the Board of Directors, shall appoint such Standing or Special Committees or Subcommittees as may be required by the Bylaws or as the President may find necessary.

Section 2. EXECUTIVE COMMITTEE. The President, the President-Elect, the Vice President, the Immediate Past President, and the Secretary/Treasurer shall comprise the voting members of the Executive Committee of the Board of Directors. The Executive Committee shall have the power to act for the Board of Directors and the Association between meetings of the Board in accordance with such powers, duties and responsibilities as may be delegated to it from time to time by the Board of Directors. Special Meetings of the Executive Committee may be called by or at the request of the President or a majority of the Committee then serving.

Section 3. NOMINATING COMMITTEE. Annually the President shall appoint, with the approval of the Board, a Nominating Committee of not fewer than three (3) members who shall submit to the Annual Meeting a slate of nominees for the Officers to be elected in accordance with the Bylaws.

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Section 4. RULES. Each Committee may adopt rules for its own government, not inconsistent with these Bylaws or with rules adopted by the Board of Directors.

Section 5. TERM OF OFFICE. Each member of a Committee shall continue as such during the term of office of the President appointing such person or until the Committee be sooner terminated.

Section 6. VACANCIES. Vacancies in the membership of any Committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 7. QUORUM. Unless otherwise provided in the Resolution of the Board of Directors approving a Committee, a majority of the whole Committee shall constitute a quorum, and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the Committee.

Section 8. ATTENDANCE BY TELEPHONE. Members of a Committee may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

ARTICLE X.

EXECUTIVE DIRECTOR AND STAFF

Section 1. APPOINTMENT. The Board may secure a person or organization who shall have the title of Executive Director and whose terms and conditions of service shall be specified by the Board.

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Section 2. AUTHORITY AND RESPONSIBILITY. The Executive Director shall be the chief executive 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 and shall be responsible to the Board. 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 may 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 to them those responsibilities of management as shall be in the best interest of the Association. The Executive Director shall serve ex officio as a member of the Board of Directors and of the Executive Committee, but without vote.

ARTICLE XI.

MISCELLANEOUS

Section 1. FISCAL YEAR. The fiscal year shall be as determined by the Board of Directors.

Section 2. PROCEDURES. All meetings of the Association shall be governed by parliamentary law as set forth in Robert's Rules of Order (most recent edition), when it does not conflict with these Bylaws.

Section 3. SEAL. The Association shall have a seal of such design as the Board of Directors may adopt, and it may be used by the members in accordance with the rules as may be adopted by the Board of Directors.

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Section 4. USE OF FUNDS AND DISSOLUTION. The Association shall use its funds only to accomplish the objectives and purposes specified in these Bylaws, and no part of its funds shall inure or be distributed to the members of the Association. On dissolution of the Association, any funds remaining shall be distributed to one or more regularly organized and qualified professional society, trade association, charitable, educational, scientific or philanthropic organization to be selected by the Board of Directors in accordance with applicable State and Federal Law.

Section 5. INDEMNIFICATION. The Association shall have the power and authority to indemnify and hold harmless to the full extent permitted by law any person who is or was a Director, Officer, employee or agent of the Association, or who is or was serving at the request of the Association as a Director, Officer , employee or agent of another corporation, partnership, joint venture, trust or other enterprise. In addition, the Association may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Association or who is or was serving at the request of the Association as a Director, Officer, employee or agent or another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred in such capacity, or arising out of such person's status as such, regardless of whether the Association would have the power to indemnify against such liability.

Section 6. BONDING. Any person entrusted with the handling of funds or payments of the Association, at the discretion of the Board of Directors, shall obtain and maintain a fidelity bond at the cost of the Association.

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ARTICLE XII.

AMENDMENTS

These Bylaws may be amended, repealed or altered in whole or in part by a two-thirds affirmative vote of those members of the Board of Directors present at any Regular or Special Meeting of the Board at which a quorum is present. Proposed changes must be sent to each member of the Board at least thirty (30) days before any such meeting. The Bylaws changes approved by the Board of Directors must then be ratified by the membership by two-thirds of the majority of the votes cast, either at an Annual or Special Meeting or by mail ballot conducted in accordance with such regulations and policies as may be adopted by the Board of Directors. In the case that a referendum fails, that issue may not be voted on again for three hundred and sixty five (365) days.