



BY-LAWS

OF

NATIONAL VEHICLE LEASING ASSOCIATION

ARTICLE I

Name

Section 1. The name of this Association shall be the National Vehicle Leasing Association.

ARTICLE II

Purpose

Section 1. The aims and purposes of this Association are as follows:

- a. To be a central representative body for all members of the vehicle leasing industry in the United States and work constructively to promote a better business environment for the vehicle leasing industry;
- b. To encourage the highest ethical standards of business practice by all members of the leasing industry;
- c. To promote improving relations between the vehicle leasing industry, its customers and the public and to sponsor and conduct educational activities to increase public acceptance and use of vehicle leasing;
- d. To provide a forum for the discussion of ideas and information of interest to members in order to encourage sound business practices among the members;
- e. To stimulate within the vehicle leasing industry, and among all its employees, a feeling of pride in being part of the industry and a realization of the interdependence of every member in the common welfare and mutual achievement;
- f. To cause membership in the Association to be equated with a reasonable assurance of honesty, integrity and responsibility by requiring each member to evidence an honorable reputation as a condition to the continuation of membership; and
- g. To develop and maintain an active involvement in monitoring and representing the interests of the members in legislative and regulatory matters affecting vehicle leasing activities.

ARTICLE III

Membership

Section 1. Membership shall be open to any entity which is directly involved in vehicle leasing or in an activity which relates to any segment of the vehicle leasing industry.

Section 2. An application for membership shall be submitted on such form as the Board of Directors may designate. The procedure for application review and acceptance or rejection and subsequent notification shall be set by the Board of Directors.

Section 3. Membership in the Association shall be of two classes: regular and associate.

Section 4. Regular membership shall be granted each accepted entity which applies for such type of membership and which either has leased vehicles registered in its name or is actively enrolled in and selling vehicle leases to the ultimate lessor under an indirect lease program generally available to motor vehicle dealers.

Section 5. Associate membership shall be granted any other accepted entity.

Section 6. Only regular members are eligible to vote at either a chapter or membership meeting. Each regular member shall have one vote. Notwithstanding the foregoing, associate members alone shall vote for the Directors representing the associate members. Each associate member shall have one vote for such purposes.

Section 7. The membership is that of the entity, whether regular or associate. Each member shall from time to time designate an individual "firm representative" in a manner established by the Board of Directors. The firm representatives shall represent the member in the Association's affairs including voting on all matters as to which such member has the right to vote.

Section 8. Membership is not saleable or assignable and any attempted sale or assignment of a membership is void; provided, however, that a membership held by an individual or partnership may be assigned to a corporation succeeding to all or substantially all the leasing related assets of such individual or such partnership.

Section 9. Membership shall terminate upon a determination by the Board of Directors made not less than five (5) days prior to the effective date of termination following a hearing before the Board of Directors, notice of which shall be given by mail to the member at the last address shown for said member on the Association's books together with a statement of the reasons for the proposed termination not less than fifteen (15) days prior to the date of said hearing, that:

- a. Such member's activities do not conform to the standards of conduct appropriate for Association members; or
- b. Such member has ceased the type of business which made the entity eligible for membership. A member may submit a written statement to be considered at said hearing in lieu of oral testimony.

Section 10. Membership shall terminate without further action by the Board of Directors where a member is more than thirty (30) days past due in payment of any dues or assessment and has been sent at least one (1) past due notice. Membership shall terminate upon a member's dissolution or the death of a member who is a sole proprietor.

ARTICLE IV

Fees, Dues and Assessments

Section 1. The membership fee, dues and frequency shall be in an amount fixed by the Board of Directors.

Section 2. The Board of Directors shall have the power to levy and collect from members such assessments as it shall deem to be to the best interest of the Association. Notice of an assessment shall be mailed to each member at the member's address shown on the Association's records immediately after said assessment is levied, and such assessment shall be due on such mailing or as otherwise specified.

Section 3. Dues or assessments shall become delinquent thirty (30) days after the same shall be due and payable. The Board of Directors may from time to time fix a late charge to be payable by delinquent members designed to compensate the Association for its costs and expenses in collecting any past due dues or assessments.

ARTICLE V

Chapters

Section 1. The Association shall be organized into chapters and a member shall belong to the Association and to a particular chapter designated by the member. Each chapter shall have a minimum number of members as authorized by the Board of Directors.

Section 2. Subject to the approval of the Board of Directors, additional chapters may either be formed upon the petition of not less than twenty (20) applicants for membership or such lesser numbers as the Board of Directors may approve or may be formed from the membership of an existing chapter upon petition of not less than twenty (20) members of the existing chapter who will be members of the new chapter; provided that following such creation there shall also remain not less than twenty (20) members in the existing chapter except as otherwise authorized by the Board of Directors. A chapter shall lose its chapter status effective as of the beginning of a fiscal year if immediately prior to such date the chapter's membership shall have fallen to below twenty (20) members except as otherwise approved by the Board of Directors.

Section 3. Subject to approval of the Board of Directors, additional chapters may be formed upon the petition of less than the minimum number of members for non-voting national chapter status. Chapters shall, once formed, continue to exist at the pleasure of the Board of Directors.

ARTICLE VI

General Membership Meetings

Section 1. There shall be an annual meeting of the Association membership to be held at the annual convention of the Association at a time during the convention period selected by the Board of Directors, or as otherwise specified by the Board of Directors.

Section 2. Special meetings of members may be called by the Board of Directors, the President, or by five percent or more of the members, by written request delivered in person or mailed by first class mail,

addressed to the President, or the Secretary, at the principal office of the Association. The request should state the general nature of the business proposed to be transacted at the meeting.

A special meeting called by request shall be set by the Board of Directors on a date not less than thirty-five (35) nor more than ninety (90) days after the receipt of the request. Within 20 days after receipt of the request, the officer who receives it shall cause notice to be given to all members entitled to vote at the meeting of the place, date and time of the meeting and the general nature of the business to be transacted at the meeting.

Section 3. All notices of meetings of members shall be delivered or mailed including electronically, not less than twenty (20) or more than ninety (90) days before the date of the meeting. The notice shall specify the place, date and time of the meeting. The notice shall specify the place, date and time of the meeting and (i) in the case of a special meeting, the general nature of the business to be transacted, or (ii) in the case of the regular annual meeting, those matters that the Board of Directors, at the time of giving the notice, intends to present for action by the members. The notice of any meeting at which Directors are to be elected shall include the names of all those who have been nominated at the time the notice is given.

If action is proposed to be taken at any meeting for approval of (i) removal of Directors from office, (ii) filling vacancies on the Board of Directors, (iii) contracts between the Association and a Director or a corporation, firm or association of which a Director is also a Director, (iv) amendment of the Articles of Incorporation, (v) an amendment to the By-laws, or (vi) changing the distribution rights of the members if the Association is winding up and dissolving, the notice shall also state the general nature of that proposal.

Notice shall be given by delivery in person or by first class mail or electronic mail addressed to the member at the address of the member appearing on the books of the Association or given by the member to the Association for the purpose of notice. If there is not any such address, notice shall be addressed to the member at the principal office of the Association or by publication at least once in a newspaper of general circulation in the county in which the principal office is located.

If any notice addressed to the member at the address of the member appearing on the books of the Association is returned to the Association by the United States Postal Service or electronically marked to indicate that the United States Postal Service or electronic transmission is unable to deliver the notice to the member at that address, all future notices to that member (until a correct address is received in writing or electronically from that member) shall be held at the principal office of the Association for one year from the date of the giving of the notice, for delivery to the member upon written demand.

An affidavit on the giving of any notice of any meeting of members may be executed by the Secretary of the Association giving the notice, and placed in the Minute Book of the Association with the minutes of the meeting.

Section 4. Members at the close of business on the business date preceding the day on which notice is given, and who are entitled to a vote at the meeting, are entitled to notice of a meeting of members, subject to the power of the Board of Directors to fix a different record date.

Section 5. The presence in person of one-twentieth (1/20) of the regular members at any membership meeting shall constitute a quorum for the transaction of business. The members present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum, if any action taken

(other than adjournment) is approved by at least a majority of the members required to constitute a quorum.

Section 6. Any meeting of members, whether the regular annual meeting or a special meeting, and whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the members present at the meeting, but no other business may be transacted, if there is less than a quorum, except provided where a quorum is present and the withdrawal of members leaves less than a quorum. At any reconvened meeting, the Association may transact any business that might have been transacted at the original meeting.

If the time and place of an adjourned meeting are not announced at the meeting at which the adjournment is taken, or if the adjournment is for more than 45 days or if after the adjournment, a new record date is fixed for determining the persons entitled to vote at the adjourned meeting, a notice of the adjourned meeting shall be given to all members entitled to vote at that meeting, in accordance with the provisions of this section pertaining to notice of an original meeting.

Section 7. Any action that may be taken at any annual regular meeting or special meeting of members may be taken without a meeting and without notice, if a ballot is distributed to every member entitled to vote on the matter. Such distribution of ballots shall be in the manner provided for giving notice of a meeting of members.

The ballot shall (i) set forth the proposed action, (ii) provide an opportunity to specify approval or disapproval of any proposal, (iii) provide a reasonable time within which to return the ballot to the Association, (iv) indicate the number of responses needed to meet the quorum requirement, (v) state the percentage of approvals necessary to pass the measure submitted and (vi) specify the time by which the ballot must be received within the time period specified (vii) equals or exceeds the quorum required to be present at a meeting authorizing the proposed action and the number of approvals received equals or exceeds the number of votes which is required for approval at a meeting at which the total number of votes cast is the same as the number of votes cast by written ballot.

Any ballot received by the Association may not be revoked. All ballots shall be filed with the secretary of the Association and maintained in the records of the Association. The result of the ballot shall be stated in the minutes of the next meeting of the Board of Directors and in the Association's next mailing to members.

ARTICLE VII

Chapter Meetings

Section 1. Chapter meetings may be called at any time specified by the Chapter Chair or the Board of Directors.

Section 2. Notice of each chapter meeting shall be given to each member of that chapter entitled to vote thereat either personally or by prepaid mail addressed to such member at such member's last address on the books of the Association. Such notice shall be sent by first class mail not less than twenty (20) not more than ninety (90) days before each meeting and shall specify the place, day and hour of the meeting and shall state the general nature of the chapter business to be considered at such meeting.

Section 3. The presence in person of one-fifth (1/5) of the regular members of a chapter, but not less than eight (8) (the number specified by the Board of Directors), shall constitute a quorum for the transaction of chapter business.

ARTICLE VIII

Board of Directors

Section 1. The Association shall have a Board of Directors consisting of one (1) firm representative from each chapter (*with twenty (20) or more members*), two (2) firm representatives elected by the membership at large, at least one (1) of which shall be a firm representative of a regular member, the President, the First Vice President/President Elect, the Second Vice President, the Third Vice President, the person or persons holding the positions of Treasurer and Secretary, the immediate Past President and one (1) firm representative of an Associate member.

The term of a Director shall be for one year commencing with the July 1 following the Director's election or until a director shall resign or be removed as provided in these By-laws or by applicable law or otherwise is disqualified to serve, or until a successor has been elected and qualified. All Directors shall have the right to vote.

Section 2. The Chapter Director for the succeeding year shall be elected by a (*relevant*) chapter at a meeting held for such purpose during the month or second month preceding the annual meeting of the Association membership from a slate of candidates nominated by a nominating committee for that chapter consisting of three (3) firm representatives of chapter members selected by the chapter Chair. In addition, a chapter may elect one (1) alternate Director. An alternate may attend any meeting of the Board of Directors but shall be entitled to vote only in the place of an absent Director from the alternate's chapter. The remaining Directors for the succeeding year shall be elected at the annual meeting from among candidates nominated by the Nominating and Election Committee or at the annual meeting by a member entitled to vote for the election of the particular Director.

Section 3. Subject to the duties of Directors as prescribed by these By-laws and subject to the limitations of the Articles of Incorporation, the By-laws and the California Nonprofit Mutual Benefit Corporations Law as to action to be authorized or approved by the members, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the Association shall be controlled by, the Board of Directors.

Section 4. Meetings of the Board of Directors shall be held at any place within or without the State of California which has been designated from time to time by resolution of the Board of Directors. In the absence of such designation, regular meetings shall be held at the principal office of the Association. Any meeting, regular or special, may be held without the physical presence of some or all the Directors by conference telephone or similar communications equipment, as long as all the Directors participating in the meeting can hear one another.

Section 5. Meetings of the Board or Directors shall be held no less often than twice a year at a time to be designated by the Board of Directors.

Section 6. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by a majority of the Board of Directors or of the Executive Committee.

Section 7. Notice of the time and place of special meetings or of change in the time or place of regular or special meetings shall be given personally to the Directors or sent to each Director by first class mail addressed to the Directors at their addresses as shown upon the records of the Association at least four (4) days prior to the date of the holding of said meeting.

The transactions of any meetings of the Board of Directors, however called and noticed or wherever held, shall be as valid as though a meeting were duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the Directors not present signs a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 8. If a Director ceases to be a firm representative, that office as a Director shall become vacant. A Director may otherwise be removed from the Board of Directors in accordance with the California Nonprofit Mutual Benefit Corporations Law. In the event of a vacancy for any cause in the office of a Director, the remaining Directors, by majority vote, may elect a successor from said Director's Chapter, from the membership at large, from among the associate members or by filling the vacant office, as appropriate, to hold office for the unexpired portion of the term of the Director whose office shall be vacant except as otherwise provided in the California Nonprofit Mutual Benefit Corporations Law. Notwithstanding the foregoing, in the event the immediate past President shall fail for any reason to continue to serve as a Director, such vacancy shall not be filled.

Section 9. A majority of the authorized number of Directors shall be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a meeting duly held, at which a quorum was present, shall be regarded as the act of the Board of Directors, unless a greater number be required by law. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum for the meeting.

Section 10. A majority of the Directors present, whether or not a quorum, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of any adjournment to another time or place shall be given before the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.

Section 11. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board individually or collectively consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board. Such written consent or consents shall be filed with the Minutes of the Board.

ARTICLE IX

Association Officers

Section 1. All officers of the Association shall be firm representatives of regular members. All officers of the Association for the succeeding fiscal year other than the President shall be elected by the regular members at the annual meeting from among candidates nominated by the Nominating and Election Committee or at least thirty (30) days prior to at the annual meeting by a regular member and each shall hold office commencing with the fiscal year for which such officer is elected until representative shall resign or be removed by the Board of Directors or otherwise is disqualified to serve, or until a successor is elected and qualified. The President for a fiscal year shall be the First Vice President/President Elect as of the close of the preceding fiscal year and shall hold office commencing with the relevant fiscal year until representative shall resign or be removed by the Board of Directors or otherwise is disqualified to

serve, or until a successor is elected and qualified. In the event of a vacancy for any cause in an office, the following succession shall be observed. If the vacancy is in the office of the President, the First Vice President/ President Elect shall succeed to the vacant office, if in the office of First Vice President/President Elect, the Second Vice President shall succeed to the vacant office, if in the office of the Second Vice President, the Third Vice President shall succeed to the vacant office, if in the office of the Third Vice President, the Treasurer shall succeed to the vacant office and if in the office of the Treasurer, the Secretary shall succeed to the vacant office. In the event of a vacancy in the office of Secretary or a vacancy in any other office under circumstances where the office from which the successor would otherwise succeed is also vacant, the Board of Directors, by majority vote, may elect a successor from among the firm representatives of regular members.

Section 2. The officers of the Association shall be a President, a First Vice President/President Elect, a Second Vice President, a Third Vice President, a Treasurer and a Secretary.

Section 3. The President shall be the chief executive officer of the Association and shall, subject to the control of the Board of Directors, have supervision, direction and control of the business and affairs of the Association. The President shall preside at all meetings of the Board of Directors and of the members. The President shall be the presiding member of the Executive Committee and shall have the general powers and duties and management usually vested in the office of the President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or by these By-laws.

Section 4. In the absence or disability or refusal to act of the President, the First Vice President/ President Elect shall perform all the duties of the President, and when so acting shall have the powers of and be subject to all the restrictions upon the President. The First Vice President/President Elect shall be a member of the Executive Committee.

Section 5. The Second Vice President shall have such duties as the President shall from time to time designate. The Second Vice President shall be a member of the Executive Committee.

Section 6. The Third Vice President shall have such duties as the President shall from time to time designate. The Third Vice President shall be a member of the Executive Committee.

Section 7. The Treasurer shall attend all meetings of the Board of Directors and shall keep and maintain or cause to be kept and maintained adequate and correct accounts of the properties and the business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The books of account shall at all times be open to inspection by any Director or by any member. The Treasurer shall disburse the funds of the Association as ordered by the Board of Directors and shall render to the President and the Board of Directors, upon request, an account of all the transactions as Treasurer and of the financial condition of the Association. The Treasurer shall perform such other and further duties as may be required by law or as may be prescribed or required from time to time by the Board of Directors.

Section 8. The Secretary shall attend all meetings of the Board of Directors and the Executive Committee and shall keep or cause to be kept at the principal office of the Association, or such other place as the Board of Directors may order, a book of minutes of all meetings of directors and members. The Secretary shall also keep or cause to be kept at the principal office of the Association membership records containing the names and addresses of each member. The Secretary shall give any required notices of meetings of the Board of Directors and notice of the annual meeting of the members as provided in these By-laws. Upon request of the officer receiving the request the Secretary shall give notice of any special meeting of the members as so provided. The Secretary shall perform such other duties as may be required from time to time by the Board of Directors or these By-laws.

Section 9. The positions of Treasurer and Secretary may be held by one person. Such person or the persons holding such offices shall be a member or members of the Executive Committee.

Section 10. Officers may be removed with or without cause at any meeting of the Board of Directors by the affirmative vote of a majority of all of the Directors.

ARTICLE X

Chapter Officers

Section 1. Each chapter shall have a Chair who shall either be the Director from that chapter or shall be elected at the time the chapter elects directors from those elected. The Chapter with less than twenty member companies will not have a vote, however, on the National Board of Directors.

Section 2. The Chapter Chair shall serve at the pleasure of the Board of Directors commencing with the effectiveness of the term as a Director until the Director shall resign or shall be removed by the Board of Directors or otherwise is disqualified to serve, or until a successor shall be elected and qualified. The Chair may appoint such other chapter officers as the business of the chapter may require, each of whom shall hold office for such period and have such authority and perform such duties as the Chair may from time to time designate.

Section 3. The Chair shall preside at all meetings of the chapter and shall perform such other duties as the Board of Directors may designate.

ARTICLE XI

Executive Committee

Section 1. The Association shall have an Executive Committee which shall be vested with all the powers of the Board of Directors except such powers which are reserved solely to the Board of Directors by law and such powers as the Board of Directors may limit solely to itself from time to time. The Executive Committee shall be comprised of the President, the First Vice President/President Elect, the Second Vice President, the Third Vice President, the person or persons holding the positions of Secretary and Treasurer and the Immediate Past President.

Section 2. The Board of Directors may at any regular or special meeting of the Board of Directors overrule any action or actions of the Executive Committee by a two-thirds (2/3) vote, provided that any such overrule will not affect the contractual rights of parties outside the Association.

Section 3. Meetings of the Executive Committee for any purpose or purposes may be called at any time by the President or First Vice President/President Elect.

Section 4. Written or verbal notice of the time and place of meetings of the Executive Committee shall be given to each member at least forty-eight (48) hours prior to any meeting. The transactions of any meetings of the Executive Committee, however called and noticed, or wherever held, shall be as valid as though a meeting were duly held after regular call and notice, if either before or after this meeting all of the members of the Executive Committee sign a written waiver or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the Association records or made a part of the minutes of the meeting.

Section 5. Two-thirds (2/3) of the members of the Executive Committee shall be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the total members of the Executive Committee at a meeting duly held at which a quorum is present shall be regarded as the act of the Executive Committee.

ARTICLE XII

Further Committees

Section 1. The President shall appoint, at least six weeks prior to the annual meeting, a Nominating and Election Committee of from three (3) to five (5) members, including at least one Past President. The Association shall publish the make up of this committee to the members at least 30 days prior to the annual meeting. The committee shall nominate one or more candidates for each of the Association's offices, each Director at Large position and each position as Director representing the Associate members. These candidates shall be announced by no later than the first assembly of members at the convention. The elections shall be conducted according to the rules established by this committee and published to the members. See Article VI, Section 3, paragraph 1.

Section 2. The President, by and with the consent of the Board of Directors, shall appoint such other committees as may be necessary or required in the operation and conduct of the business and operation of the Association. Each such committee shall have such membership, authority and responsibility as the President and Board of Directors shall designate.

ARTICLE XIII

Executive Management

Section 1. The Board of Directors may employ an Executive Director or contract with a management organization under such terms and conditions and entailing such duties and responsibilities as the Board of Directors shall deem appropriate.

ARTICLE XIV

Non-Liability and Indemnification

Section 1. The Association, its Board of Directors, officers and such independent management as it may retain, shall not be liable to any of its members for any statements, errors or omissions in any reports sent out by the Association, whether the same shall be due to the negligence of the Association, its Board of Directors, officers, employees, independent management or otherwise; and each and every member or those that may hereafter become members, shall be deemed to have expressly released the Association, its Board of Directors, officers and independent management from any and all liability for such statements, errors and omissions and, further, from any and all liability by reason of any agreements, contracts, obligations, acts, steps or plans entered into or undertaken by the Association on behalf of its members.

Section 2. Each present and future Director and officer, and each agent and employee, whether or not then in office, shall be indemnified by the Association against expenses actually and necessarily incurred by or imposed upon an individual (including court costs and counsel fees) in connection with the defense of any action, suit or proceeding in which an individual is made a party by reason of being or having been a Director, officer, agent or employee of the Association except in relation to matters as to which the individual shall be adjudged in such action, suit or proceeding to be liable for misconduct in the performance of duty. Such indemnification shall not be deemed exclusive of other rights to which such

Director, officer, agent or employee may be entitled under any agreement of the members, as a matter of law or otherwise.

Section 3. No member of the Association shall have any right, title or interest in or to the whole or any part of the property or assets of the Association, and in the event of dissolution, liquidation, abandonment or winding up of the affairs of the Association, the assets remaining after paying all debts and obligations (or adequately providing for the latter) shall be distributed to one or more non-profit organizations designated by a majority of the Board of Directors, which organization or organizations shall have established its or their tax exempt status under Section 501(c) of the Internal Revenue Code of 1954. In no event shall any assets inure to the benefit of or be distributed to any member, Director, officer, agent or employee of the Association. If the majority of the Board of Directors is not in full accord as to the disposition of assets within one (1) year from the date of the event causing its dissolution, liquidation, abandonment or winding up, then such assets shall be disposed of in such manner as may be directed by decree of the Superior Court of the State of California in and for the County of San Mateo.

ARTICLE XV

Amendment

Section 1. These By-laws may be amended or repealed or new By-laws may be adopted at a meeting of the members called for such purpose (or by written ballot in lieu thereof pursuant to Article VI, Section 7) or, except as otherwise provided by law, by the Board of Directors subject to the power of the members to change or repeal these By-laws as amended or adopted.