

**BYLAWS
OF
THE ATLANTIC AVENUE ASSOCIATION**

The affairs and activities of Atlantic Avenue Association shall be carried out at all times for the purposes and in accordance with the terms set forth in its Articles of Incorporation and these Bylaws, and in conformity with all applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), affecting nonprofit organizations described in Section 501(c)(4) of the Code.

Article I

Section 1. Name and Boundaries - The name of this organization is the Atlantic Avenue Association (Association). The principal office of the Association shall be located in the City of Virginia Beach, Virginia. The Atlantic Avenue District (District) includes businesses, residences, and public areas located along Atlantic Avenue, on adjacent blocks of Atlantic Avenue or have a community interest in visitors who vacation along Atlantic Avenue in Virginia Beach.

Section 2. Fiscal Year - The Association's fiscal year shall be January 1st through December 31st.

Section 3. Affiliation - The Association may affiliate with any state or national organization with like purposes as may be selected by the Board of Directors.

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Article II - Membership & Dues

Section 1. Membership - Any individual, community group or business with an interest in the District shall be eligible for membership. There are two classes of Membership:

- a) Class 1 – Atlantic Avenue Member – Any business or individual that resides on Atlantic Avenue or on an adjacent side street East of Pacific Avenue may join the Association. If a business, it shall designate one representative as a point of contact for the Association and for voting purposes. Members with a location on Atlantic Avenue shall be eligible for election to the Board of Directors and may serve as any officer.
- b) Class II - Individual members or businesses that are not located on Atlantic Avenue or on an adjacent side street East of Pacific Avenue may join the Association. If a business, it shall designate one representative as a point of contact for the Association and for voting purposes. Members not located on Atlantic Avenue may be eligible to serve on the Board of Directors and may serve as any officer except President or Vice President.

Section 2. Special Memberships - Liaisons, Honorary, Lifetime, and other special classes of general and Board membership may be created by the Board of Directors and may be exempted from the payment of dues. Special members of the Board may attend those meetings with voice but no vote.

Section 3. Annual Dues - The annual dues for general membership shall be set by the Board of Directors. All members shall be in good standing if dues have been paid for the current fiscal year. Dues and other funds collected by this organization will be limited to the amount of money generally necessary to meet the immediate and long-term purposes of the organization. On dissolution of the Association, any funds of the organization will be distributed by vote of the Board of Directors to a successor organization or to one or more charitable organizations selected by the Board.

Section 4. Termination - Membership in the Association shall be continuous and termination of membership will be considered only under the following conditions.

- a) The member's written resignation has been received by the Board.
- b) If a member's dues remain unpaid thirty days after the Association has sent a written notice to the member advising of delinquent dues and the possibility of membership termination, the Association may cancel such membership. Dues are considered delinquent sixty (60) days after they are due.
- c) Any member whose continued membership in the Association may be deemed detrimental to the Association by the Board of Directors may be dropped from the membership at any time by the Board of Directors by a two-thirds vote of the Directors present at a regular or special meeting, and such member's dues or other prepaid charges shall be refunded on a pro rata basis. Such action shall not depend upon, or adversely reflect upon, the character, the reputation or practices of such member. All members of the Association upon applying for membership shall agree to subscribe to the Bylaws, thereby agreeing not to institute or attempt to maintain any legal action or suit against the Association or any of its officers, Directors, agents or members in the event his or its membership shall thereafter be canceled as herein provided.

Article III – Governance - Board of Directors

Section 1. General Powers - The management and control of the affairs and property of this Association shall be vested in the Board of Directors.

Section 2. Number of Directors and Tenure – There shall be at least nine members of the Board of Directors. The nine shall include four Officers of the Association and five members elected by the membership. Directors must either live within the boundaries as described above or own, or be employed by, a business that is a member of the Association, or be the designated representative of a non-profit organization that is a member, at the time of nomination and election, and must continue to maintain membership and a location within the District throughout the term of office. Six (6) members of the Board of Directors must be Class 1 members. Each person elected shall hold only one office at a time.

Section 3. Nominations and Election - Nominations for the Board of Directors, including Officers, can be made in writing by any interested party to the President at least two weeks prior to the election. A Nominating Committee appointed by the President shall prepare and present a slate prior to the election. Each nominee must have been previously asked and agree to serve if elected.

Section 4. Officers - The Officers of the Association shall consist of a President, a Vice President, a Secretary, and a Treasurer who shall be elected annually by the general membership at the meeting designated by the Board of Directors. The nominee obtaining the most votes for each office shall

serve in that position. A voice vote shall suffice, unless more than one individual per office has been nominated, in which case a written ballot shall be provided. The Board may choose to have a President Elect.

Section 5. Term Limits - Terms will begin on January 1st and continue through December 31st. All Directors shall serve without compensation and are required to attend regularly scheduled Board of Directors' meetings and Membership (General) meetings. The President and Vice President are elected for a period of one year. No officer may serve for more than three (3) consecutive terms in an office. A Director may be re-elected to the Board after taking one year off. The President and Vice President must reside on Atlantic Avenue or represent businesses that are located on Atlantic Avenue.

Section 6. Quorum - A quorum shall be comprised of fifty percent (50%) of the Board of Directors duly elected and serving at the time of the meeting.

Section 7. Majority - All actions of the Board shall require a majority vote of a quorum of Directors.

Article IV - Duties & Authority of Directors

Section 1. Actions - The Board of Directors shall act for and represent the organization in all matters affecting the Association. The Board may authorize any Director, or committee to act on its behalf.

Section 2. President - The President or his/her designate shall preside at all meetings of the Association and shall have general supervision of the affairs of the Association. He/she shall sign, or designate an individual to sign, all instruments of the Association that have been approved by the Board and shall have general supervisory authority over its business and affairs in compliance with the policies and decision of the Board. The President must reside on Atlantic Ave or represent a business that is located on Atlantic Avenue.

Section 3. Vice President – It shall be the duty of the Vice President to preside at the meetings of the Association and the Board of Directors in the absence of the President. The Vice President shall also perform such other duties as ordinarily pertain to the office and be assigned by the President or the Board. The Vice President must reside on Atlantic Ave or represent a business that is located on Atlantic Avenue.

Section 4. Secretary - The Secretary shall keep records of all meetings of the Association and have charge of the corporate books and may, at the discretion of the President, initiate correspondence on behalf of the Association.

Section 5. Treasurer - The Treasurer shall maintain a complete and accurate account of receipts and disbursements of the Association's treasury and shall collect and deposit all monies or other funds to the credit of the Association in financial institutions designated by the Board. At each regular Board meeting, the Treasurer shall present a report in a form satisfactory to the Board. The Board will establish a mechanism by which the Treasurer is authorized to make payments on behalf of the Association. The President or the Treasurer shall sign all checks or orders drawn on the Association bank account.

Section 6. Removal - Any Director who fails to attend three (3) consecutive meetings of the Board without providing notice or communication, shall automatically vacate the seat on the Board and the vacancy shall be filled as provided by these Bylaws. In addition, any Director may be removed by the Board when, in its judgment, the best interests of the Association would be served thereby.

Section 7. Vacancies - Vacancies that occur on the Board of Directors in between annual meetings shall be temporarily filled by an appointment by the Board of Directors. Directors serving in temporary appointments will be put to vote before the full membership at the next annual meeting.

Section 8. Property - The Board of Directors shall have the authority by proper resolution duly adopted to sell, convey and/or mortgage any of the Association’s property, real or personal, whenever it deems such action to be in the best interest of the Association. All deeds or other ownership documents shall be signed by the President or the Secretary of the Association.

Section 9. Compensation - Directors and Officers shall not receive any stated salaries for their services as Directors provided, however, nothing herein contained shall be construed to preclude from serving the Association in any other capacity and receiving compensation therefore.

Article V - Committees

Section 1. Committees - Committee Chairpersons may be appointed by the President and may include Membership and Parking. The President or Board of Directors may establish ad hoc committees as deemed necessary or useful. Regular written committee reports shall be provided to the President and Secretary for inclusion in the corporate records.

Article VI –Meetings

Section 1. Annual - The Annual Meeting of the Association shall be held in November of each year unless otherwise voted by the Board of Directors. Written notice, which may be by electronic mail, shall be provided to all members designating the time and place of the meeting at least two weeks prior to the date of the meeting.

Section 2. Membership - Membership shall meet as needed but at least two (2) times per year.

Section 3. Board - The Board of Directors shall meet as needed but at least two (2) times per year.

Section 4. Special - Special meetings may also be held as needed. Special meetings will be called by the President upon the request of five members of the Association, or if the President identifies a need.

Section 5. Time & Location - The time and location of all meetings shall be designated by the Board of Directors. Ample notification will be provided to each Member.

Section 6. Voting - Each Class I and Class II Member shall be entitled to one vote. All business entities whether for profit or non-profit may designate in writing and file with the Association the name of its representative.

Section 7. General Membership Meeting Quorum - A quorum shall be determined if twenty-five percent (25%) of the current members are in attendance at a general membership meeting. A vote shall pass if 51% of those members attending a general membership meeting vote in the affirmative. For the General Membership to overturn a vote of the Board of Directors, 2/3 of the members must vote in person or in writing.

Article VII - Staff

The Board of Directors may employ qualified staff who shall administer the affairs of the Association in accordance with the Bylaws. Staff shall be responsible to the President and Board of Directors. The Officers shall regularly evaluate the effectiveness of paid staff. Staff shall be subject to termination by a concurrence of the majority of the Directors.

Article VIII - Audit

The books and accounts of the Association shall be audited by a Certified Public Accountant or Committee of non-officer Directors and members at the end of each fiscal year and at such time as may be directed by the Board of Directors or as may be desired by the President and Secretary.

Article IX – Finances

Section 1. Depositories - The monies of the Association shall be deposited in such financial institutions as the Board of Directors shall designate, and all payments so far as practicable shall be made by check. Checks and drafts as well as notes, bonds or other instruments creating or evidencing an obligation for the payment of money shall be signed in the name of the Association or as the Board of Directors shall direct.

Section 2. No Inurement - No part of the net earnings of the Association shall inure to the benefit of, or be distributable to, its directors or other private persons, but the Association shall be authorized to pay the expenses of the Board of Directors, to pay employees reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of the Association set forth in the Articles of Incorporation. No substantial part of the activities of the Association shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Association shall not participate in or intervene in any political campaign (including the publishing or distribution of statements) on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these bylaws, the Association shall not carry on any other activities not permitted to be carried on by any corporation exempt from Federal income tax under Code Section 501(c)(3).

Section 3. Dissolution. If the Association should be dissolved, its assets shall be distributed in the manner specified in the Articles of Incorporation.

Article X - Indemnification and Limitation of Liability

Section 1. Limitation of Liability - To the fullest extent that the Code of Virginia, 1950, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of the liability of the Board of Directors for breach of fiduciary duty, and provided that a Director shall not have engaged in (i) any breach of his or her duty of loyalty to the Association, (ii)

acts or omissions not in good faith or which involve willful misconduct or a knowing violation of law, or (iii) any transactions from which the Director derived an improper or personal benefit, then such a Director shall not be liable to the Association for monetary damages. Any amendment to or repeal of this Article X shall not adversely affect any right or protection of a Director of the Association for or with respect to any acts or omissions of such Director occurring prior to such amendment or repeal.

Section 2. Indemnification - To the fullest extent permitted and in the manner prescribed by the Code of Virginia, 1950, and any other applicable law, the Association shall indemnify, against all liability incurred in a proceeding (and advance reasonable expenses to), any Director of the Association, who is, was, or is threatened to be made a party to any such threatened, pending, or completed action, suit, or proceeding (whether civil, criminal, administrative, arbitrative, or investigative), including an action by or in the right of the Association, by reason of the fact that he is or was such a Director or is or was serving at the request of the Association as a Director, employee or agent of another Association, partnership, joint venture, trust, employee benefit plan, or other legal entity. The Board of Directors is empowered, by majority vote of a quorum of disinterested Directors, to contract in advance to indemnify any Director.

Section 3. Other Persons - The Board of Directors is empowered, by majority vote of a quorum of disinterested Directors, to cause the Association to indemnify, or contract in advance to indemnify, and advance reasonable expenses to, any person not specified in Section 2 of this Article who was or is a party to any proceeding by reason of the fact that he is or was an employee or agent of the Association or is or was serving at the request of the Association as a Director, employee, or agent of another Association, partnership, joint venture, employee benefit plan, or other legal entity, to the same extent as if such person were specified as one to whom indemnification is granted in Section 2 hereof.

Section 4. Insurance - The Association may purchase and maintain insurance to indemnify it against the whole or any portion of the liability assumed by it in accordance with this Article and may also procure insurance, in such amounts as the Board of Directors may determine, on behalf of any person who is or was a Director, employee, or agent of another Association, partnership, joint venture, trust, employee benefit plan, or other legal entity, against any liability asserted against or incurred by such person in any such capacity or arising from his status as such, whether or not the Association would have power to indemnify him against such liability under the provisions of this Article.

Section 5. Scope - The provisions of this Article X shall be applicable to all actions, claims, suits, or proceedings commenced after the adoption hereof, whether arising from any action taken or failure to act before or after such adoption. No amendment, modification, or repeal of this Article shall diminish the rights provided hereby or diminish the right to indemnification with respect to any claim, issue, or matter in any then pending or subsequent proceeding that is based in any material respect on any alleged action or failure to act prior to such amendment, modification, or repeal.

Section 6. Continuous Coverage - Reference herein to Directors, officers, employees, or agents, shall include former Directors, officers, employees, and agents, and their respective heirs, executors and administrators.

Article XI - Conflict of Interest Policy

Section 1. Compliance with Governing Law - The Association and the Directors shall comply with all Virginia and local laws concerning conflict of interest transactions (as defined in Section 13.1-871 of the Virginia Code) applicable to Virginia nonstock corporations. In extension (and not in limitation) thereof, the Directors shall comply with the provisions hereinafter set forth.

Section 2. Abstention from Conflict Matters - (a) Each Director shall abstain from voting on, or from otherwise participating in any way in any decision concerning, any transaction between the Association and such Director, between the Association and a member of such Director's family (as hereinafter defined), or between the Association and a business entity, trust, or estate which such Director or family member directly or indirectly controls or with respect to which such Director or family member has a material financial interest (any such transaction is hereinafter referred to as a "Conflict of Interest Transaction"). For purposes of this Article, the following persons shall be deemed to be members of a Director's family: such Director's spouse, the grandparents of such Director or of such Director's spouse, the lineal descendants of the grandparents of such Director or of such Director's spouse, and the spouse of each such grandparent or lineal descendant. (b) Any Director who becomes aware of an actual or potential conflict of interest on the part of such Director or on the part of a member of such Director's family must promptly disclose such interest to the Board of Directors (any such Director is hereinafter referred to as a "Conflicted Director" and any such conflict of interest is hereinafter referred to as the "Conflict"). Such Conflict shall be made a matter of record. When such Conflict becomes relevant to any matter requiring action by the Board of Directors or any committee thereof, such Conflict shall be called to the attention of the Board of Directors or such committee, as the case may be, and the Conflicted Director shall remove himself or herself from the discussions and abstain from voting on such matter.

Section 3. Permissible Conflict of Interest Transactions - The Association may enter into a Conflict of Interest Transaction if, in advance of doing so, the Board of Directors (i) takes reasonable steps to ensure that the terms of such transaction are fair and reasonable to the Association under the circumstances, and (ii) documents such steps and the basis for the conclusion that such transaction is fair and reasonable to the Association.

Section 4. Committee Members. The foregoing provisions of this Article shall also apply to officers of the Association and to committee members.

Article XII - Amendments

The Bylaws of this Association may be changed or amended by a majority vote of those present at a regular or special meeting of the general membership of the Association, provided advance notice of a proposed change and vote has been given to the Association members.