

## ONE

The Articles of Incorporation of Virginia Auctioneers Association are restated and amended to replace the initial Articles with the following.

## TWO

### Article I - Name

The name of this nonprofit corporation is Virginia Auctioneers Association.

### Article II - Duration

The corporation shall have perpetual existence and shall continue until dissolved by operation of law, or by vote of the requisite number of members as provided in the Virginia Nonstock Corporation Act, Sections 13.1-801 et seq. of the Code of Virginia (1950).

### Article III - Purposes

The purposes for which the corporation is organized are to promote and advance the auction profession; to unite in common organization those professionally engaged as auctioneers; to promote the mutual interests of its members; to formulate and maintain ethical standards for the guidance and regulation of its members in their relations with each other and with the public; to promote and encourage the enactment of just and reasonable laws, ordinances, and regulations affecting auction selling and the auctioneering profession; to make the public more aware of the advantages of auction selling; and generally to improve the business conditions affecting the auctioneering profession.

Notwithstanding any other provisions of these Articles, the corporation shall exercise only such powers, and shall undertake only such activities, as may be exercised and carried on by organizations entitled to exemption under Section 501 (c) of the Internal Revenue Code and regulations pertaining to such section as they now exist or may hereafter be amended.

## Article IV - Powers

The corporation shall have and exercise all powers and rights conferred upon corporations organized and existing under the Virginia Nonstock Corporation Act, Sections 13.1-801 et seq. of the Code of Virginia, and any additional powers and rights conferred upon such corporations by subsequent legislative acts.

## Article V - Membership

The corporation is organized on a nonstock basis. A class of membership in the corporation designated as *II* Active Members" shall be composed solely of auctioneers licensed by the Commonwealth of Virginia and residing within, or without, the State of Virginia and the United States of America. Other classes of membership in the corporation for non-auctioneers may be provided in the Bylaws. The Bylaws may also provide for the rights and limitations of rights of the various classes of members, qualifications of members, and the manner and conditions of election to, and termination of, membership. However, the Bylaws may not provide for the right to vote which is vested solely in the Active Members of the corporation.

## Article VI - Board Of Directors

The affairs of the corporation shall be conducted by a board of directors consisting of the past president elected two years prior, immediate past president, president, president-elect, vice president, treasurer, and six (6) Active Members of the corporation who shall be elected as provided in the Bylaws. Active Members entitled to vote are alone empowered to amend the Bylaws with regards only to changing the number of directors, and this may be done at the annual meeting, or at any special meeting of the membership called for that purpose.

## Article VII - Officers

The elective officers of the corporation shall be a chairman of the board of directors, who will be the immediate past president, president, president-elect, vice president, and treasurer, all of whom shall be Active Members and elected as provided in the Bylaws. The corporation shall also have a secretary who shall be appointed by the board of directors and serve at its pleasure.

## Article VIII - Limitation Of Liability

The private property of incorporators, members, directors, and officers of the corporation shall not be subject to the payment of corporate debts.

## Article IX - Bylaws

Bylaws of the corporation shall be adopted by the board of directors. Bylaws of the corporation may be adopted, amended, or repealed by the board of directors at any regular meeting, or at any special meeting called for that purpose, except that Active Members entitled to vote are alone empowered, as provided in Article VI, to amend the Bylaws with regards only to changing the number of directors, and this may be done at the annual meeting, or at any special meeting of the membership called for that purpose.

## Article X - Prohibition Of Private Benefit And Limitation Of Activities

The corporation shall have no capital stock and shall declare no dividends. The corporation is not organized for profit, and no part of the net earnings of the corporation shall inure to the benefit of any member, officer, director, or individual, except that reasonable compensation may be paid for services rendered to, or for, the corporation in effecting one or more of its purposes.

## Article XI - Operation For Tax Exempt Purposes

The corporation shall be operated exclusively for charitable, scientific, and educational purposes within the meaning of Section 501 (c) (6) of the Internal Revenue Code, as amended. No member or trustee of the corporation shall possess any right or title to, or interest in, the property or earnings of the corporation in his or her individual or private capacity, and no part of the net earnings or assets of the corporation shall inure to the benefit of, or be distributable to, any officer, director, or any private shareholder or individual, except that the corporation shall be authorized and empowered to pay any reasonable expenses incurred on behalf of the corporation. No substantial part of the activities of the corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation, nor shall the corporation participate in or intervene in any political campaign on behalf of any candidate for public office. All references in these Articles to

provisions or sections of the Internal Revenue Code

shall be deemed to include references to any corresponding provisions of subsequent legislation.

## Article XII- Indemnification Of Officers, Directors, And Agents

1. The corporation shall indemnify any person who becomes a party, or who is threatened to be made a party, to any threatened or pending action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that he or she is, or was, an officer or director of the corporation, against reasonable expenses including attorneys' fees, judgments, fines, and amounts paid in settlement, actually and reasonably incurred by him or her in connection with such action, suit, or proceeding if he or she: (i) was not grossly negligent or guilty of willful misconduct in the performance of his or her duty to the corporation; (ii) acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation; (iii) with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful; (iv) in the case of amounts paid in settlement, that such settlement was reasonable and in, or not opposed to, the best interests of the corporation. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the corporation and, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his or her conduct was unlawful. If at any time any provisions contained in the laws of the State of Virginia prohibit or limit indemnification in respect of any claim, action, suit, or proceeding, except upon a determination of the extent thereof in the manner provided in such provision, indemnification shall be made only in accordance with such provision, and the provisions of this section shall be superseded with respect to transactions governed by such provision.

2. To the extent that an officer or director of the corporation has been successful on the merits, or otherwise, in defense of any action, suit, or proceeding referred to in subsection (i) of this Article, or in defense of any claim, issue, or matter therein, he or she shall be indemnified against expenses including attorneys' fees, actually and reasonably incurred by him or her in connection therewith.

3. Any indemnification under subsection (i) of this Article, unless ordered by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the officer or director

is proper in the circumstances because he or she has met the applicable standard of conduct set forth in subsection (1) of this Article. Such determination shall be made either: (i) by the board of directors by a majority vote of a quorum (as defined by the Bylaws of the corporation) consisting of directors who were not parties to such' action, suit, or proceeding; or (ii) if such a quorum is not obtainable, or even if obtainable, and a quorum of disinterested directors so directs, by independent legal counsel in a written opinion. Notwithstanding the failure or refusal of the directors or counsel to make provision therefore, such indemnification shall be made if a court of competent jurisdiction makes a determination that the officer or director has a right to indemnification hereunder in any specific case upon the application of such person, or if a court of competent jurisdiction determines that such person has satisfied the standard for indemnification in subsection (1).

4. Expenses, including attorneys' fees, incurred in defending a civil or criminal action, suit, or proceeding may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding, as authorized by the board of directors in the specific case upon receipt of an undertaking by, or on behalf of, the officer or director, to repay such amount, unless it shall be determined ultimately that he or she is entitled to be indemnified by the corporation.

5. The corporation, with the approval of the board of directors, may purchase and maintain insurance on behalf of any person who is, or was, an officer or director of the corporation against any liability asserted against him or her or the corporation and incurred by him or her or the corporation in any such capacity, or arising out of his or her status as such, whether or not the corporation would have the power to indemnify him or her against such liability under the provisions of this Article.

6. Neither the corporation nor its officers or directors, nor any person acting on its behalf, shall be liable to anyone for any determination or absence of conduct which would provide a basis for making, or refusing to make, any payment under this Article, or for taking, or omitting to take, any other action under this Article if such action or omission is made in reliance upon the advice of counsel.

7. Each reference herein to officers and directors shall be deemed to include reference to former officers, directors, and their respective heirs, executors, and administrators. The indemnification hereby provided shall not be exclusive of any other rights to which any person may be entitled, including any right under policies of insurance that may be purchased and maintained by the corporation or others,

with respect to claims, issues, or matters in relation to which the corporation would not have the power to indemnify such person under the provisions of this Article.

#### Article XIII - Distribution Of Property Upon Dissolution

In the event of the liquidation or dissolution of the corporation, whether voluntary or involuntary, no member shall be entitled to any distribution or division of its remaining property or proceeds, and the balance of all money and other property received by the corporation from any source, after the payment of all lawful debts and other obligations of the corporation, shall be used exclusively for purposes within those set forth in Article III of these Articles, or distributed to an organization then entitled to tax exemption under Section 501 (c) (6) of the Internal Revenue Code and regulations pertaining thereto, as amended, or corresponding provisions of subsequent legislation, as may be specified in a plan of [distribution adopted, as provided by law, or as . directed by a court of competent jurisdiction.

#### Article XIV - Amendment Of Articles

These Articles of Incorporation may be amended by vote of two-thirds (2/3's) of the Active Members entitled to vote who are present at any annual meeting, or at any special meeting of the membership called for that purpose. Written notice setting forth the proposed amendment shall be given to each Active Member entitled to vote at the proposed meeting not less than twenty-five (25) nor more than sixty (60) days before the date of the meeting.