Article 1

NAME AND LOCATION

Section 1.

The name of this organization shall be the National Association of Charterboat Operators, (NACO), a non-profit corporation organized and operating under the laws of the Commonwealth of Virginia.

Section 2.

The Office of the Association shall be located in such localities as may be determined by the Board of Directors.

Article 2

OBJECTIVES

The Association is organized for the following purposes:

A) To provide the charterboat industry a coordinated national voice in Washington DC on national policy, legislative and regulatory issues:

B) To inform the public and the news media of the important role of the charterboat industry:

C) To inform its members of economic, governmental, judicial, legislative and industrial developments affecting the industry, either directly or indirectly;

D) To provide members access to programs, supplies and services at group rates;

E) To provide a forum for the discussion and resolution of common problems on the national and state levels affecting the charterboat industry;

F) To establish and maintain active cooperation by its members on governmental policy issues with other persons, groups, and associations:

G) To afford a means of cooperation with the government in matters of national concern;

H) To provide an objective, self-regulating body for the industry;

I) To engage in any and all lawful activities incidental to the foregoing purposes.

Article 3

MEMBERSHIP

Within the Association, there shall be the following classes of memberships: Regular and Associate. Regular membership in this Association shall be composed of individuals engaged in the charter boat industry. Applicants for regular membership must possess a valid United States Coast Guard License to operate a passenger carrying boat for hire to be eligible for regular membership.

Associate membership shall be composed of any individual, firm, or association engaged in a business related to or in some way supportive of the charterboat industry.

The Board of Directors may adopt declarations of policy respecting membership qualification and in implementation of this section.

In addition, the Board of Directors may establish such other categories of membership, as it deems necessary and shall adopt criteria defining the requirement for membership in those categories.

Section 2.

MEMBERS IN GOOD STANDING:

A member in good standing is one who has paid the annual dues at the specified time, and who has met the requirements for membership. He shall be entitled to all the rights and privileges of the Association. Any member whose dues are not paid shall not be entitled to any privileges of the Association.

Section 3.

VOTING:

Each regular member in good standing shall be entitled to a single vote on matters properly submitted to the membership for a vote. Associate members shall not have voting privileges.

Section 4.

APPLICATION FOR MEMBERSHIP:

All individual applicants for membership shall complete and sign the application form, which includes current USCG license number and expiration date and submit the application to the principal office of the Association.

Membership through a Local Association - The Local Association shall maintain the same individual applicant information and provide a list of those local members to the principal office of the Association.

The Executive Director or other designees shall review all applicants for membership. The Executive Director or other designees may refer an application to the Board of Directors for a determination regarding membership. The Board of Directors reserves the right to grant an exemption from the established criteria.

Section 5.

REMOVAL:

Any member of the Association may be removed from membership by the Board of Directors for cause other than non-payment of dues by two-thirds (2/3) vote of the voting members of the Board present at a meeting of the Board at which a quorum is present. For any cause other than non-payment of dues, removal shall occur only after the member complained against has been advised of the complaint lodged against him/her and has been given reasonable opportunity to respond in writing.
Such member, if removed, may appeal the decision of the Board to the next following Annual Meeting of the Association membership, provided that written notice of intent to appeal is delivered to the President of the Board of Directors no less than seven (7) days prior to the first day of the Annual Meeting.

The appeal shall be presented to the regular members of the Association present at the Annual Meeting. A majority vote of the regular members present at the Annual Meeting of membership at which a quorum is present is required to overturn the removal from membership. If the action of the Board of Directors is overturned, the member shall be reinstated to membership with all applicable privileges of membership. If the action of the Board of Directors is upheld, the member thus removed shall not be eligible to apply for new membership for a period of two (2) years.

Section 6.

RESIGNATION:

Any member of the Association may resign by filing a written resignation, but such resignation shall not relieve the member so resigning of the obligation to pay any dues, or other charges theretofore accrued and unpaid.

Section 7.

TRANSFER OF MEMBERSHIP:

Membership in the Association is not transferable or assignable.

ARTICLE 4

DUES AND FISCAL YEAR

Section 1.

ESTABLISHMENT OF DUES:

The Board of Directors shall from time to time consider and determine the annual dues to be paid by members. Dues may be fixed on a graduated basis or on such other classification, which the Board of Directors may determine appropriate.

Section 2.

PAYMENT OF DUES:

Dues shall be payable in advance.

Section 3.

DELINQUENCY OF DUES:

Any member of the Association who shall be delinquent in dues for a period of thirty days (30) from the time dues become due, shall be notified of such delinquency. If payment of dues is not made within the next succeeding thirty (30) days, the delinquent member shall be considered to have resigned from membership and will be dropped from the rolls, thereupon forfeiting all rights and privileges of membership.

Section 4.

REFUNDS:

No dues shall be refunded to any member whose membership terminates for any reason.

Section 5.

FISCAL YEAR:

The fiscal year for the Association shall commence on January 1 of each year and end the last day of December of each year.

ARTICLE 5

MEETINGS OF MEMBERS

Section 1.

ANNUAL MEETING:

The Annual Meeting of the members of the Association shall be held at such time and place and on such dates as determined by the Board of Directors.

Section 2.

SPECIAL MEETINGS

Special Meetings of the membership of the Association may be called by the President, or upon written petition of not less than twenty-five percent (25%) of the members of the Board of Directors authorized to vote, or upon written petition of not less than thirty-three percent (33%) of the regular members of the Association. Upon receipt and verification of such petition, the President shall call a Special Meeting of the membership to consider the specific subject or subjects specified in the petition and no other business shall be considered at such Special Meeting of the membership. Such request and/or Board or membership petition for a Special Meeting shall be submitted to the Association and the President in writing via U.S. Postal Service, postage prepaid, overnight delivery, by facsimile, or by electronic mail, the Association and President having consented to such receipt by electronic mail.

Section 3.

NOTICE OF MEETING:

Written notice of the Annual Meeting of the membership of the Association shall be provided to each member of the Association not more than sixty (60) days and not less than ten (10) days prior to the meeting date by U.S. Postal Service, postage prepaid, overnight delivery, facsimile or by electronic mail if the member recipient consents to receipt of notice by electronic mail.

Written notice of a Special Meeting of the membership of the Association shall be provided to each member of the Association not more than thirty (30) and not less than ten (10) days prior to the meeting date by U.S. Postal Service, postage prepaid, overnight delivery, facsimile or by electronic mail if the member recipient consents to receipt of notice by electronic mail. Such notice shall state the subject or subjects to be considered at the Special Meeting and shall include an agenda for the meeting.
Section 4.

QUORUM:

At an Annual or Special Meeting of members, a quorum shall consist of not less than 10 such regular members of the Association who attend the meeting.

Section 5.

VOTING:

Unless otherwise required by law, the Association’s Articles of Incorporation, or these Bylaws, if a quorum of the regular membership is present, the affirmative vote of a majority of the votes entitled to be cast by the regular members deemed present shall be required for the adoption of any matter properly placed before the regular membership for a vote.

At all meetings of membership each regular member shall have one (1) vote on any matter submitted for vote by the membership.

The election of directors to the Association’s Board of Directors shall be by the Association’s regular membership by written ballot or in person attending the Annual Meeting of the Association. Written ballots will be sent by electronic mail, unless the member recipient requests that the ballot be sent by U.S. Mail, postage prepaid or by facsimile, to each regular member of the Association not more than sixty (60) and not less than thirty (30) days prior to the first date of the Annual Meeting. Such ballot will be sent to each regular member’s e-mail address of record with the Association, or if requested by the member, to the members address or facsimile. Provided that there is a quorum of regular membership for voting purposes, the affirmative vote of a majority of the regular members entitled to vote shall determine the successful candidate(s) for election to the Board. All properly executed written ballots must be received by the Association’s principal office not less than ten (10) days prior to the first date of the Annual Meeting or not less than five (5) days prior to the date of a Special Meeting of regular membership for a ballot voting issue.

Regular members of the Association who vote by U.S. Mail, by facsimile, by electronic mail or by such additional means as may be authorized from time to time by the Virginia Code, shall be deemed present in person at any meeting of the membership to which the particular vote pertains. The means by which any voting regular member casts a vote shall be presumed to be the method of voting chosen by and authorized by the voting regular member.

Section 6.

RULES OF ORDER:

The meetings and proceedings of the Association shall be regulated and controlled according to Robert’s Rules of Order (last revised) for parliamentary procedure, except as may be otherwise provided by these By-Laws.

ARTICLE 6

BOARD OF DIRECTORS

Section 1.

AUTHORITY AND RESPONSIBILITY:

The governing body of this Association shall be the Board of Directors. The Board of Directors shall have supervision, control and direction of the affairs of the Association, its committees and publications, shall actively prosecute its objectives and shall supervise the disbursement of its funds. The Board may adopt such rules and regulations for the conduct of its business as shall be deemed appropriate. The Board of Directors shall follow the reasonable dictates of any policy or course of action decided by a majority vote of the members, provided such dictates are consistent with the tax-exempt purposes of the Association.

Section 2.

COMPOSITION:

The Board of Directors shall consist of no fewer than five (5) and not more than twenty-three (23) persons. The Board of Directors shall include the elected officers of the Association.

Section 3.

ELECTION AND TERM:

Directors shall be elected at the Association’s Annual Meeting by vote of the majority of members present and a count of the ballots submitted by regular members not present. Each Director shall be elected for a term of three (3) years.

Any Director shall be eligible for reelection.

Section 4:

NOMINATIONS:

The Immediate Past President of the Board of Directors and three regular members appointed by the President of the Board of Directors shall constitute a Nominating Committee, whose duty it shall be to solicit the membership for candidates for the Board of Directors. Any regular member wishing to run for a seat on the Board must go through the selection process of the nominating committee to be on the ballot. The Nominating Committee shall nominate a number of director candidates at least equal to the number of open director positions on the Board and to be presented to the regular membership for a vote at the next Annual Meeting of the Association.

The Nominating Committee Chairman shall notify the President of the Board of Directors, in writing, at least sixty (60) days before the date of the Annual Meeting, of the names of such candidates along with their profile, and the Executive Director or other designees shall mail or fax a ballot along with a profile of each candidate to the regular members at least thirty (30) days before the Annual Meeting.

The Immediate Past President of the Board of Directors shall be Chairman of the Nominating Committee and shall communicate with the members of the Committee or arrange a meeting thereof, for the purpose of selecting a slate of candidates. The Nominating Committee shall adopt and document their procedures, which, until modified, shall be followed by subsequent Nominating Committees.

Section 5.

QUORUM AND MANNER OF ACTING:

A majority of the Directors entitled to vote shall constitute a quorum for the transaction of business by the Board. A majority vote of the Directors present and voting at a meeting at which quorum is present shall be the act of the Board unless the vote of a greater number is required by law, the Articles of Incorporation, or by these Bylaws.

Section 6.
MEETINGS:

The Annual Meeting of the Board of Directors shall be held at the time of the Annual Meeting of the Association.

Regular Meetings may be held upon the call of the President of the Board or a signed request of a majority of the Directors. Notice of the time and place of the Board meeting shall be provided to each Director at least fourteen days (14) before the date of the meeting. Any Director who shall be absent from two consecutive meetings without prior excuse or being excused by the Board of Directors shall be deemed to have resigned and the Board shall fill the vacancy as provided by these by-laws.

The President of the Board may call a Special Meeting of the Board to consider one or more specific matter(s) and shall call such Special Meeting upon the written petition of not less than thirty-three (33%) of the Directors in office at the time of the petition.

Section 7.

NOTICE:

Notice of all Regular Meetings of the Board shall be given to the Directors not less than thirty (30) days before the meeting is held.

Notice of Special Meetings of the Board of Directors shall be given to the Directors not less than ten (10) days before the meeting is held. Notice of Special Meetings may be given by email, overnight mail, fax or telephone. Said notices shall include the agenda of the meeting.

Section 8.

VOTING:

Each Board Member must be present at the meeting to cast their vote, whether in person or by telephone conference. Participation by telephone conference shall constitute presence at the meeting. However, the President of the Board of Directors, when deemed necessary, may provide a mail ballot to Board Members. There shall be no proxy voting with respect to matters before the Board.

Section 9.

MAIL VOTE:

Whenever, in the judgment of the President of the Board of Directors, any question shall arise which he considers should be put to a vote of the Board of Directors, and when he deems it inexpedient to call a Special Meeting for such purpose, the President may, unless otherwise required by these By-laws, submit such a matter to the Directors in writing by email, mail or fax for vote and decision, and the question thus presented shall be determined according to a majority of votes received by email, mail or fax within (30) days after such submission to the Directors, provided that in each such case votes of at least a majority of the Directors shall be received. Any and all action taken by a majority vote in each such case shall be binding upon the Association in the same manner as would action taken at a duly called meeting.

All such votes shall be preserved until the next meeting of the Board of Directors or the Executive Committee, for such disposition thereon as the Board of Directors or the Executive Committee shall determine appropriate.

Section 10.

VACANCIES:

Vacancies on the Board of Directors shall be filled, for the duration of the remaining term, by nomination of the President and a majority vote of the remaining Directors.

Section 11.

COMPENSATION:

Directors and elected officers shall not receive any compensation for their services, but may be reimbursed for reasonable out of pocket expenses incurred on Association business, if the Board of Directors so votes.

Section 12.

REMOVAL FOR CAUSE:

A director of the Association may be removed from the Board of Directors by the membership for cause, which shall include, but not be limited to, conduct on the director’s part that is contrary to the best interests of the Association and/or its membership, and/or which has or is likely to adversely impact the welfare, interests, reputation and character of the Association and/or its membership. Removal shall be by two-thirds (2/3) vote of the regular members, provided that there is a quorum of the regular members.

The director who is the subject of a removal for cause shall be provided with timely written notice of the charges or allegations which form the basis for the removal for cause and shall have an opportunity to respond in writing and/or in person before the next called meeting of the Association’s membership. The decision of the membership shall be final on the matter of the director’s removal.

If by the vote of the regular membership a director is removed from the Board of Directors for cause, the Board shall accept nominations from its remaining Board members to fill the vacancy and shall vote on such nominations. Such replacement to the Board shall require a majority vote of the remaining voting members of the Board and shall serve the balance of the removed director’s term.

ARTICLE 7

EXECUTIVE COMMITTEE

Section 1.

AUTHORITY AND RESPONSIBILITY

There shall be an Executive Committee of the Board of Directors which shall have the authority to act for the Board in the management of the Association between meetings of the Board of Directors. However, the Executive Committee shall not have the authority of the Board of Directors with respect to those acts specifically reserved to the Board of Directors by law, the Articles of Incorporation, these Bylaws or by resolution of the Board of Directors.
All actions taken by the Executive Committee shall be reported to the Board of Directors at or prior to the next meeting of the Board for review and ratification.

Section 2.

COMPOSITION:

The Executive Committee shall consist of the following: the President of the Board of Directors, First Vice President, Second Vice President, the Secretary, the Treasurer and the Executive Director who is a non-voting ex-officio member of the Committee.

The President of the Board of Directors shall be Chairman of the Executive Committee.

Section 3.

QUORUM:

A majority of the voting members of the Executive Committee present (3 or more) shall constitute a quorum at any meeting of the Executive Committee. The President shall call such meetings as the business of the Association may require. He shall also call such meeting upon the written request of two (2) members of the Committee.

Section 4.

VOTING:

Whenever, in the reasonable judgment of the President, any question or matter shall arise which he/she considers should be put to a vote of the Executive Committee and when he/she deems it necessary to call a special meeting of the Executive Committee for such purpose, the President may, unless otherwise prohibited by law, the Articles of Incorporation, or these Bylaws, provide written notice of an Executive Committee telephone or video conference for the purpose of considering and voting upon the question. Such notice shall be provided to each member of the Executive Committee by U.S. Postal Service, postage prepaid, by facsimile, or by electronic mail, where the recipient member has consented to such electronic mail notice.

Members of the Executive Committee authorized to vote may vote in person or by telephone, video or such other electronic conferencing equipment by means of which all members of the Executive Committee participating in the meeting may hear each other simultaneously, and participation by such means shall be conclusively deemed to constitute presence in person at such meeting for purposes of a quorum and taking action. There shall be no proxy voting by Executive Committee members on matters placed before the Committee for a vote.

Section 5.

NOTICE:

Written, FAX, next day mail, emailed or telephonic notice of any meeting of the Executive Committee shall be given not less than ten (10) days before such meeting.

Section 6.

UNANIMOUS WRITTEN CONSENT:

Any action, which the Executive Committee may take, may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the members of the Executive Committee.

ARTICLE 8
OFFICERS

Section 1.

ELECTED OFFICERS:

The elected officers of the Association shall be a President, First Vice President, Second Vice President, Secretary, and a Treasurer of the Board of Directors. All officers shall be elected annually by the Board of Directors Meeting. The positions of Secretary and Treasurer may be held by one individual.

Section 2.

APPOINTED OFFICERS:

The Board of Directors may appoint an Executive Director. The Executive Director shall administer and manage the affairs of the Association under the general direction of the Board of Directors and the Executive Committee, and shall report directly to the President of the Board of Directors. The position of Executive Director may be performed by a company. In that case the company shall make available skilled personnel to perform the above listed duties of the Executive Director and such other duties as may be required for the effective operation of the Association. Compensation of the Company shall be determined by the Board of Directors.

Section 3.

QUALIFICATION FOR OFFICE:

Any regular member shall be eligible to nomination and election to any elected office of the Association.

Section 4.

TERM OF OFFICE:

Each elected officer shall take office immediately following the adjournment of the Annual Meeting of the members of the Association and shall serve for a term of one (1) year or until his successor is duly elected and qualified.

Section 5.

VACANCIES:

Vacancies in any office may be filled for the balance of the term thereof by the Board of Directors at any Regular or Special Meeting or by mail, email or FAX vote, if appropriate.
If an officer is removed from office for cause, the elective office of that officer shall be considered vacant and the tenure of that officer terminated.

Section 6.

REMOVAL FOR CAUSE:

An elected officer of the Association may be removed from office for conduct on his part contrary to the best interests of the Association and/or its membership, and/or that which is likely, in the opinion of the Board, to adversely impact the welfare, interest or character of the Association and/or its membership, by the affirmative vote of two-thirds (2/3) of the members of the Board, provided however, that notice in writing, together with a copy of the charges and specifications, shall have been sent to such officer at least twenty (20) days before the meeting of the Board, where such action shall be considered. An officer so accused may appear before the Board and/or may present a written statement at the meeting. The officer shall be removed from office and from the Board of Directors upon affirmative vote of a majority of the Board. The officer shall have the right of appeal from the decision of the Board to the next regular meeting of the Association. The majority decision of the regular members of the Association present at such meeting shall be final with respect to the appeal.

The Board of Directors shall be the sole judge of whether an officer is physically or mentally incapable of performing the duties of his or her office.

ARTICLE 9

DUTIES OF OFFICERS

Section 1.

PRESIDENT OF THE BOARD:

The President of the Board shall preside at all meetings of the members of the Association; and shall be a member ex-officio, with the right to vote, of all committees. He shall at the Annual Meeting of the Association and at such other times as he may deem proper, communicate to the Association and to the Board of Directors, matters and ideas that may be of interest to the Association, and shall perform such other duties as may be determined by the Board of Directors.

Section 2.

FIRST VICE PRESIDENT:

The First Vice President shall take the place of the President of the Board of Directors in the case of the President’s absence, incapacity, death, or removal for cause, and such other duties and functions as may be determined by the Board of Directors, the Executive Committee or the President of the Board of Directors.

Section 3.

SECOND VICE PRESIDENT

The Second Vice President shall take the place of the First Vice President of the Board of Directors in the case of the First Vice President’s assuming the duties of President or the First Vice President’s absence, incapacity, death, or removal for cause, and such other duties and functions as may be determined by the Board of Directors, the Executive Committee or the President of the Board of Directors.

Section 4.

SECRETARY:

The Secretary shall perform the usual and customary services of a corporate Secretary, and such other duties and functions as may be determined by the Board of Directors, the Executive Committee or the President of the Board of Directors.

Section 5.

TREASURER:

The Treasurer will review the financial records before the Annual Meeting so that a report can be given to the membership at the meeting. The Treasurer shall also participate in the establishment of the annual budget for the Association and perform such other duties and functions as may be determined by the Board of Directors, the Executive Committee or the President of the Board of Directors.

Section 6.

EXECUTIVE DIRECTOR:

The Executive Director shall keep and maintain records of memberships, dues and minutes of all meetings of the Association. The position of the Executive Director oversees and manages those professionals and staff who provide services for the ongoing operation and administration of the Association, all of which are directed to the best interest and growth of the Association. Such duties shall include, but are not limited to maintaining and/or producing the Association Newsletter and other publications, working cooperatively with the media, Congress, Federal Agencies and any other organization to promote the mission of the Association, assisting the Association’s Directors and Officers in the preparation of materials to be presented before Federal Agencies and Congress, and keeping and preserving Association business and financial records. The Executive Director shall arrange meetings of the Board of Directors, Executive Board and the general membership of the Association and arrange for meeting minutes to be taken when in attendance; execute the policies of the Association as promulgated and/or adopted from time to time by the Board of Directors. All Association books and records, both business and financial, shall be made available for inspection, copying and examination at all times by the Board of Directors, or such other person or persons designated by the Board. The Executive Director may be bonded in an amount established by the Board of Directors and is an ex-officio member of all committees with no voting rights.

The terms and conditions of the Executive Director’s office and compensation for work shall be determined by the Board of Directors.

ARTICLE 10

COMMITTEES

Section 1.

STANDING COMMITTEES:

The Board of Directors may create such standing committees and prescribe their duties as it may from time to time determine appropriate.
The Board may add to, diminish or modify the powers, authority and responsibilities of any standing committee.

Section 2.

SPECIAL COMMITTEES:

Special committees to perform designated duties and functions may be created by the Board of Directors or the President of the Board of Directors, and their duties and functions outlined by the appointive body or officer.

Section 3.

APPOINTMENT:

The President of the Board of Directors shall appoint the Chairman and may appoint the members of all committees, except those committees, which the Board of Directors, by resolution, may reserve unto itself for such appointment.

Section 4.

TERM OF OFFICE AND RULES:

Committee members shall be appointed to serve until the following Annual Meeting.

Each committee may adopt rules for its own governance, which are not inconsistent with these By-Laws or with any resolution or motions adopted by the Board of Directors. A copy of written rules adopted by a committee will be forwarded to the President of the Board of Directors for evaluation, comment and maintenance in the records of the Association.

ARTICLE 11
LOGOTYPE

The Association shall have a Logo type(s) or mark(s) of such design as the Board of Directors may adopt. Such logotype(s) or mark(s) shall be imprinted on the stationery of the Association and on such literature, promotional and other documents, which may be determined by the Board of Directors.

All rights, title and interests in the Association's logo type(s) or mark(s) including the power to authorize or restrict its use shall at all times be vested in the Association.

ARTICLE 12
DISSOLUTION

In the case of dissolution of the Association or the winding up of its affairs, the assets of the Association shall be distributed to one or more organizations which themselves are exempt as organizations described under Sections 501(c)(3) or 501(c)(6) and 170(c) of the Internal Revenue Code of 1986, as amended, or the corresponding sections of any prior or future federal tax code, or to the federal government, or to a state or local government, exclusively for public purpose, provided, however, that in no way shall such distribution inure to the financial benefit of any officer, director, committee, or any Association member or contributor.

ARTICLE 13
BY-LAWS AMENDMENT

Except as otherwise required by law, these By-laws may be amended, repealed, or altered in whole or in part by a two-thirds (2/3) vote of the voting members of the Board of Directors present at any Annual, Regular or Special Meeting of the Board at which a quorum is present. A proposed amendment shall be filed with the President of the Board of Directors and distributed to each member of the Board not less than thirty (30) days prior to the meeting at which the amendment will be considered and the vote held.

ARTICLE 14
INDEMNIFICATION

To the extent permitted by law, each person who is or was a Director or Officer of the Association shall be indemnified by the Association against liabilities incurred as a result of, and expenses (including attorney's fees) reasonably sustained in the defense, or in the compromise or settlement, of any civil, criminal or other action, suit or proceeding, by or on behalf of whomsoever brought to which such person may be a party or in which he may be otherwise involved by reason of his being or having been a Director or Officer of the Association.

The Association shall indemnify officers and directors of the Association to the fullest extent permitted by law. This indemnification may include the advancement of cost and expenses incurred with the defense of any action. However, such indemnification will not be permitted in cases where the officer or director has been adjudged by competent authority to be liable for gross negligence or is guilty of misconduct.

The foregoing rights of indemnification shall, in the case of the death of a Director, Officer, inure to the benefit of his/her heirs and his estate.

ARTICLE 15
ANNUAL FINANCIAL AUDIT

The Association may conduct an audit or a financial review of its financial condition by a certified public accountant selected by the Executive Committee. Audits or a financial review may be conducted at the discretion of the Board of Directors each year. The results of such audit or financial review shall be promptly distributed to the Board of Directors for its review and consideration.