

## **Bylaws of the Kentucky Morgan Horse Association**

It is the policy of the Kentucky Morgan Horse Association (KMHA) Board of Directors that each year in which they serve, all Directors and all members of committees sign as requested, and adhere to the “Policy on Business, Ethics, and Conduct,” Ethics Statement.

### **Article I. General Provisions**

**Section 1.01 Name and Purpose.** The name of the corporation is “The Kentucky Morgan Horse Association, Inc.” (the “Corporation”), and it is organized for the purposes set forth in the Certificate of Incorporation of the Corporation.

**Section 1.02 Ethics Statement.** The Kentucky Morgan Horse Association recommends and expects that all persons will conduct themselves in an honest, forthright, ethical, and sportsman like manner in their relationships with each other at any time they are involved in Morgan horse related matters.

**Section 1.03 Gender.** The pronoun “he” is used throughout these Bylaws and should be construed to include the pronoun “she” wherever appropriate. The same applies to the gender of possessive and objective pronouns.

### **Article II. Membership**

**Section 2.01 Classes of Membership.** There shall be the following three (3) general classes of members: Individual Members; Joint Members; and Youth Members.

**Section 2.02 Membership.** Each candidate for membership shall apply for membership on an application form specified by the Corporation. All completed applications for membership shall be considered by the Corporation and membership shall be effective upon the payment of dues.

**Section 2.03 Dues.** The Board of Directors shall establish dues for the Corporation’s members.

**Section 2.04 Rights and obligations of members.** The rights and obligations of members are as follows:

- a) **Individual General Membership.** Any person who is a member of the AMHA who applies for and pays dues applicable in connection with membership. Individual members shall hold all rights and privileges of the Corporation, including the right to vote as set forth in Section 2.11. All Individual Members shall be at least 18 years of age on or before January 1 of the year of membership.
- b) **Joint General Membership.** Joint General Membership may be applied for by any two persons (spouses, partners, etc.), who are members in good standing of the AMHA. Joint Members shall hold all rights and privileges of the Corporation, including the right to vote as set forth in Section 2.11. All Joint Members shall be at least 18 years of age on or before January 1 of the year of membership.

- c) **Youth General Membership.** A member who has not attained 22 years of age as of January 1 of the year of membership shall have the right to vote on KMHA matters and the full privileges of the corporation, except that Youth members may not vote on KMHA matters in any year unless they have attained 18 years of age before January 1 of that year.

**Section 2.05 Term.** All memberships shall be valid for one calendar year.

**Section 2.06 Rules of Membership.** Subject to the foregoing provisions of this Article II, the Board of Directors shall have the authority to fix the characteristics of each class of membership and the qualifications and rights of, and limitations upon, the members of each class including rules governing admission, fees and dues, and suspension or termination of membership.

**Section 2.07 Place and Time of Meetings.** Meetings of the Members may be held at such place and at such time as may be provided in the notice of the meeting and approved by the Board of Directors.

**Section 2.08 Annual Meeting.** The annual meeting of the Members shall be held each year at such time and place within the Commonwealth of Kentucky as shall be determined by the Board of Directors.

**Section 2.09 Special Meetings.** Special meetings of the Members may be called by the Board of Directors. Only business within the purpose or purposes described in the notice for a special meeting of the Members may be conducted at the meeting.

**Section 2.10 Notice of meetings.** Written notice stating the place, day, and hour of each meeting of the Members and, in the case of a special meeting, the purpose for which the special meeting is called, shall be given not less than twenty nor more than fifty days before the date of the meeting, either personally or by first class or electronic mail, to each Member entitled to vote at such meeting.

**Section 2.11 Voting Rights.** Each Member who is in good standing and who has attained at least 18 years of age as of January 1 of that year shall be entitled to one vote on each matter presented to the Members for a vote.

**Section 2.12 Voting requirements Majority.** The vote of a majority of the votes entitled to be cast by the Members present at a meeting shall be necessary for the adoption of any matter voted upon by the Members unless a greater proportion is required by law. In any election of Directors by members, the nominee or nominees receiving the largest number of votes shall be elected. In the event of a tie, further votes shall be taken until the tie is broken.

**Section 2.13 Resolution of Disputes.** By applying for and accepting membership in the Corporation, a Member acknowledges and agrees that the resolution of any dispute between the Member, whether in the Member's capacity as a member, an officer, or a director of the Corporation, and the Corporation, or any individual acting on behalf of the Corporation as an officer, director, employee or committee member, related to or arising in any way out of the conduct of the Corporation's business, shall be subject to the following provisions to the extent permitted by applicable law.

- a) **Jurisdiction Venue.** The Member submits himself to the jurisdiction of the courts of the Commonwealth of Kentucky and the United States District Court for the District of Kentucky and waives any objection or defense that such courts do not have jurisdiction over the Member. Unless the Corporation agrees otherwise, the sole venue for any lawsuit shall be in the courts of the Commonwealth of Kentucky. Unless the Corporation agrees otherwise, any administrative proceedings or arbitration proceedings shall take place in the Commonwealth of Kentucky.
- b) **Costs to Prevailing Party.** In any such litigation or administrative proceedings, including arbitration proceedings, the prevailing party shall be entitled to an award of all reasonable costs incurred, including, without limitation, reasonable attorneys' fees.

**Section 2.14 Binding Arbitration.** The member agrees that, at the request of the Corporation, any such dispute shall be resolved by binding arbitration in the Commonwealth of Kentucky in accordance with the rules of the American Arbitration Association unless both parties agree otherwise.

### **Article III Meeting Procedure**

**Section 3.01 Record Date.** The record date for the Annual Meeting of members shall be set by the Board of Directors, which record date shall not be more than fifty nor less than twenty days prior to the date of the annual meeting, and only those members in good standing on such record date shall be entitled to receive notice of the meeting and to vote there at. The Board of Directors shall set a record date, for any special meeting, which record date shall not be more than fifty nor less than ten days prior to the date of such special meeting.

**Section 3.02 Eligibility.** Any member, in order to be eligible to vote, must be a member in good standing of the Kentucky Morgan Horse Association at least 40 days prior to the meeting date at which the vote is scheduled to occur, and at the time of the vote.

**Section 3.03 List of Eligible Voters.** The Executive Director (or designee) shall furnish a list of all members who are entitled to vote at the meeting which shall be available for review by all members present.

**Section 3.04 Retention of Voting Records.** All ballots received and all tabulations of votes at the meeting shall be retained by the Corporation for at least sixty days after the close of the meeting.

### **Article IV Board of Directors**

**Section 4.01 Management and Control.** The affairs of the Corporation shall be managed and conducted by a Board of Directors consisting of five Directors-at-Large. The number of Directors may be increased or decreased from time to time by amendment to these Bylaws or by action of the Members at any general membership meeting. The Board of Directors may by resolution provide rules and regulations governing the relationship the Corporation shall have with persons who are not members.

**Section 4.02 Qualifications.** All Directors must be General Members of the Corporation, at least eighteen years of age, and in good standing at the time of their election. Directors shall be legal residents of the Commonwealth of Kentucky at the time of their election and, if their legal

residence shall change during their term to a place outside of the Commonwealth of Kentucky, they shall resign their position. For purposes of these Bylaws, an individual's legal residence means that place where the individual is registered to vote in the State and Federal elections.

**Article 4.03 Election and Term.** Directors shall be elected to staggered three-year terms by the Members at their annual meeting. Directors shall serve until their successors have been elected and qualified, or until their death, resignation, or removal.

**Section 4.04 Nomination of Directors.** Candidates for election to the Board of Directors shall be nominated as follows:

- a) By April 1<sup>st</sup> of each year, the President shall deliver to each member entitled to vote in the upcoming annual meeting of members a notice stating the number of Directors to be elected and stating the final date for the filing of nominating petitions and that a form for nominating petitions is available upon request to the Corporation. Members shall be entitled to nominate candidates for the position of Director by delivering nominating petitions signed by the nominee named therein to demonstrate acceptance of nomination, to the Corporation on or before October 1. On or before November 30, the Corporation shall mail to each Board Member and person nominated by such petitions a notice stating the names of all persons who have been nominated for Director and the number of Directors to be elected. In the event that a sufficient number of candidates have not been nominated by nominating petitions, the President shall convene a Nominating Committee which shall meet and select a sufficient number of nominees for Director. Such meetings shall occur prior to December 1<sup>st</sup> of that year.
- b) Membership Lists. The President shall prepare and maintain a list of all members of the Corporation entitled to vote and their addresses as of December 31 of the previous year and shall compute the total percentage of Members entitled to vote. Each such list and computation shall be filed and retained for at least three years with the membership records of the Corporation, and shall be available for inspection to the same extent as the other membership lists of the Corporation.

**Section 4.05 Vacancies.** Vacancies in the position of Director may be filled by an affirmative vote of a majority of the remaining Directors or by a majority vote of the Corporation's Members, at a special meeting of the Corporation's members called for that purpose. If filled by the remaining Directors, such Director shall hold office only until the next Annual Meeting of Members at which meeting, the members shall elect a Director to serve for the balance of the unexpired term, if any.

**Section 4.06 Annual meeting.** The annual meeting of the Board of Directors shall be held following the Annual meeting of Members for the purpose of electing officers, appointing Standing committees, and seating newly elected Directors.

**Section 4.07 Regular Meeting.** The Board shall meet at least four (4) times per year with the schedule to be established at the annual meeting and shall meet at such place as shall be determined by the Board at the annual meeting. The Board may provide, by vote, the time and place for holding additional regular meetings without other notice.

**Section 4.08 Special Meetings.** Special meetings of the Board may be called by or at the request of the President or at the request of any two members of the Board, and shall be held at a place reasonably accessible to all Directors as shall be specified in the notice of special meeting.

**Section 4.09 Notice.** Notice of any special meeting of the Board, including an agenda of all matters to be conducted at such meeting, shall be given by the President, upon direction of the person or persons calling the meeting, at least forty-five (45) days prior thereto by written notice delivered personally or sent by mail, telegram, facsimile, or other electronic means to each Director at his address as shown by the records of the Corporation. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting, unless specifically required by law, or by these rules. If the person convening the meeting determines that an emergency exists, the Board can be convened by teleconference call as long as a majority of the Voting Board is participating. Any notice of a teleconference call should be provided three days in advance when possible. Each Board Member must be informed of the meeting.

**Section 4.10 Quorum.** A majority of the members of the Board shall constitute a quorum for the transaction of business at any meeting of the Board; but if less than a majority of the Directors are present at any meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

**Section 4.11 Board Decisions.** The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of a greater number is required by law or by these rules.

**Section 4.12 Attendance at Meetings by Telephone.** Any member of the Board may participate in any meeting of the Board by means of a conference telephone or similar communications equipment such that all persons participating in the meeting can hear each other, and participation in a meeting in such manner shall constitute presence in person at such meeting.

**Section 4.13 Consent in Lieu of Meeting.** Any action consented to in writing by each and every Director shall be as valid as if the Board had adopted such action at a duly held meeting thereof.

**Section 4.14 Resignation.** A Director may resign at any time by giving written notice to the Board or the President of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board or such officer, and the acceptance of the resignation shall not be necessary to make it effective.

**Section 4.15 Removal.** A Director may be removed from office, with or without cause, at any meeting called for that purpose by the vote of a majority of all members entitled to vote on that Director's election. The Board of Directors, by a vote of not less than a majority of the number of Directors at the time required to constitute the full Board may remove any Director for cause at a meeting of Directors, called for such purpose. Any Director who fails to attend three

successive meetings of the Board without a reason acceptable to the Board shall, upon the affirmative vote of a majority of the remaining Directors, be removed from office.

**Section 4.16 Committees.** The Board may elect or appoint one or more committees and, subject to these Bylaws and to applicable law, may delegate to any such committee or committees any or all of its powers. Unless the Directors otherwise designate, or the Bylaws otherwise provide, committees shall conduct their affairs in the same manner as is provided in these Bylaws for the Directors. Unless these Bylaws otherwise provide, the members of any committee shall remain in office at the pleasure of the Directors. Members of each standing committee shall serve a staggered term. All standing committee procedures shall absolutely not at any time be established nor utilized to prevent complete disclosure of all committee affairs to the Board of Directors at any time. All standing committees shall be open to all Board Members at all times and committee actions shall be subject to participation by the Board at the next available Board Meeting. The Corporation shall have the following standing Committee, the members of which shall be appointed each year by the Board of Directors at its annual meeting: Executive Committee. There shall be an Executive Committee of at least three Board members, consisting of the President of the Corporation, and two Board members. The Executive Committee shall have all powers of the full Board of Directors as delegated to it by the Resolution of the Board and may exercise such powers in the intervals between meetings of the Board. The Board may not delegate to the Executive Committee its powers with respect to amendment of these Bylaws, removal of any Officer or Agent elected or appointed by the Board, the power to fill vacancies on the Board of Directors or any standing committee, or any other matter that is prohibited under law.

**Section 4.17 Meeting Venue.** Any action required or permitted in the fulfillment of a committee's or task group's charge may be conducted by telephone conference call or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time.

**Section 4.18 Resignation/Removal.** Any member of any committee may resign by giving written notice to the President. Any such resignation shall take effect at the time specified in the notice, or upon receipt. The Board of Directors, Executive Committee or President may remove, with or without cause any committee member from any committee, except that only the Board of Directors may remove a member from a standing committee.

**Section 4.19 Committee minutes.** All committees must produce minutes of all committee meetings/actions for submission to the full Board of Directors at the next meeting of the Board for ratification.

**Section 4.20 Special Committees and Task Groups.** Special Committees and Task Groups may be approved by the Board, Executive Committee, or President as required to conduct the business of the association. Special Committees and Task Group members must be current KMHA members. Such committees shall continue at the pleasure of the Board or until such time as their task(s) are completed, and shall have such duties and objectives as assigned to them by the Board, Executive Committee, or President.

## Article V Officers

**Section 5.01 Number of Officers.** The officers of the Corporation shall consist of a President, a Financial Vice President/Treasurer, and a Secretary, and such other officers as may be elected in accordance with the provisions of this Article. All officers shall be members of the Board of Directors. The Board of Directors may elect or appoint such other officers as it shall deem desirable, such officers to have the authority to perform the duties prescribed, from time to time, by the Board of Directors. No two or more offices may be held by the same person. No person shall be eligible to hold the office of President for more than three consecutive terms. No time spent fulfilling a vacancy in the office of President shall apply to the three consecutive terms limitation.

**Section 5.02 Election and term of Office.** The officers of the Corporation shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers not held at such annual meeting of the Board of Directors, such election shall be held as soon thereafter as is convenient. Each officer shall hold office until his successor has been duly elected and qualified.

**Section 5.03 Qualifications.** All Directors must be General Members of the Corporation, and General Members or Life General Members of the American Morgan Horse Association, at least eighteen years of age, and in good standing at the time of their election. Officers shall be legal residents of the Commonwealth of Kentucky. If their legal residence shall change during their term to a place outside of the Commonwealth of Kentucky, they shall resign their position. For purposes of these Bylaws, an individual's legal residence means that place where the individual is registered to vote in the state and federal elections.

**Section 5.04 Removal.** Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever in its judgment the best interest of the Corporation would be served thereby.

**Section 5.05 Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

**Section 5.06 Power and Duties.** The several officers shall have such powers and shall perform such duties as may from time to time be specified in votes or other directives of the Board of Directors. In the absence of such specifications, each officer shall have the following powers and authority:

- a) **President.** The President shall be the Chief Executive Officer of the Corporation and, when present, shall preside at all meetings of the members of the Executive Committee and be an ex-officio member of all committees and shall preside at all meetings of the Board of Directors. He shall have all powers and perform all duties commonly incident to his office as the Board of Directors shall designate from time to time. The President shall have the right to vote.
- b) **Financial Vice-President/Treasurer.** The Financial Vice President shall serve as Corporate Treasurer, Chief Financial Officer, and as such shall be responsible for overseeing the financial integrity of the Corporation. As Corporate Treasurer he shall

have the care and custody of all corporate funds, except his own bond which shall be in the custody of the President. He shall have and exercise, under the supervision of the Board of Directors and the Finance Committee, all the powers and duties commonly incident to this office. He shall give a bond in such form and with such sureties as the Board shall require. The Treasurer and/or his designee shall deposit all funds of the Corporation in such depositories as the Board of Directors shall designate. He or his designee shall keep accurate books of account of the Corporation's transactions which shall be the property of the Corporation, and together with all its property in his possession, shall be subject at all times to the inspection and control of the Board of Directors. He shall provide such statements of his transactions and accounts as they may respectively from time to time require. The Corporate Treasurer shall perform such other duties and have such other power as the Board of Directors shall designate. The Financial Vice President/Treasurer shall have the right to vote.

- c) **Secretary.** The Secretary shall keep accurate minutes of the Annual Meeting of the Members and the quarterly and special meetings of the Board of Directors, and shall perform such other duties as the Board of Directors shall designate.

**Section 5.07 Resignation.** An officer may resign at any time by giving written notice to the Board of Directors. Unless otherwise specified in the notice, the resignation shall take effect upon receipt thereof by the Board of Directors, and the acceptance of the resignation shall not be necessary to make it effective.

## **Article VI Indemnification**

The Corporation shall indemnify all Directors, Officers, and employees of the Corporation to the full extent permitted or required by applicable law. The foregoing right of indemnification shall not be exclusive of any other rights to which any such person may be entitled as a matter of law or which may be lawfully granted to him and the indemnification, hereby granted by the Corporation shall be in addition to, and not in restriction or limitation of, any other privilege or power that the Corporation may lawfully exercise with respect to the indemnification or reimbursement of Directors, Officers, or employees. The Corporation shall purchase and maintain all necessary insurance coverage to the extent permitted by the Commonwealth of Kentucky Not-For-Profit Corporation Law.

## **Article VII Personal Liability**

Except as otherwise required by law, the Directors, Officers, and employees of the Corporation shall not be personally liable for any debt, liability or obligation of the Corporation. All persons, corporations, or other entities extending credit to, contracting with, or having any claim against, the Corporation, may look only to the funds and property of the Corporation for the payment of any such contracts or claim, or for the payment of any debt, damages, judgment or decree, or of any money that may other wise become due or payable to them from the Corporation.

## **Article VIII Conflicts of Interest**

To the extent permitted and subject to the provisions of Commonwealth of Kentucky Not-For-Profit Corporation Law, as from time to time amended or replaced, Directors and Officers may not be interested, directly or indirectly, in any contract for furnishing supplies or services thereto

unless such interest is disclosed to and approved by the Board. Directors shall not receive any salary for serving as Directors, but may be reimbursed for reasonable expenses incurred in attending meetings of the Board.

## **Article IX Fiscal Year**

The Corporation's fiscal year shall be from December 1 to November 30.

## **Article X Corporate Records**

**Section 10.01 Books and Records.** Except as otherwise expressly required by the laws of the Commonwealth of Kentucky, the books and records of the Corporation may be kept at such places as approved by the Board of directors. The books of account and other financial records shall be in the custody of the Treasurer. The lists of members of the Corporation, all minutes of the meetings of members, the Board of Directors and all of the books and records of the Corporation not herein otherwise provided for shall be in the custody of the President.

**Section 10.02 Annual Accounting.** On or before the Annual Meeting of the members each year, the Financial Vice President/Treasurer shall distribute to all members entitled to vote a verified financial statement of the assets, liabilities and cash position (including trust funds) of the Corporation as of the end of the preceding fiscal year and a statement of receipts and disbursements for the year then ended, each with comparative figures for the next preceding fiscal year.

**Article 10.03 Presentation of Annual Report and Accounting.** The Board of Directors shall publish the financial report required in the previous section, and such reports shall have been accepted by the Board and certified by an independent Certified Public Accountant, appointed by the Board.

**Section 10.04 Quarterly Report to Members.** Following each meeting of members and each meeting of the Board of Directors, the President shall cause to be mailed to each member a summary of all record actions taken at such meetings by the members or the Directors.

**Section 10.05 Checks, Notes, and Other Instruments.** Checks, notes, drafts, and other instruments for the payment of money drawn or endorsed in the name of the Corporation must be signed by the President, Treasurer, or Secretary, and any other officer or officers or person or persons authorized by the Board of Directors to sign the same but no less than two, one of which must be the President, Treasurer, or Corporate Secretary of the Corporation.

## **Article XI Repeal, Alteration or Amendment of Bylaws**

These Bylaws may be amended, or repealed, or altered, or substitute Bylaws may be adopted, by a majority of the entire Board of Directors at any regular or special meeting of the Board of Directors, provided notice describing the amendment has been furnished to each Director in advance of the meeting. The Board of Directors may not amend, alter, or repeal any of Sections 4.1-4.4 or this sentence. Action taken by the Directors in making, altering or repealing any Bylaws shall be reported to the Members at the next meeting of Members.

## **Article XII Miscellaneous**

These Bylaws shall be subject to and construed in accordance with the laws of the Commonwealth of Kentucky. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision hereof. As used herein, all singular words shall include the plural and all plural words shall include the singular, as the context may require.