

**AMENDED AND RESTATED  
BYLAWS OF  
AMERICAN SADDLEBRED HORSE AND BREEDERS ASSOCIATION, INC.**

**ARTICLE I  
OFFICES**

The principal office of the American Saddlebred Horse and Breeders Association, Inc. (herein called the "Association"), is located at 4083 Wing Commander Way, Ste. 50, Lexington, Kentucky 40511; the principal office address may be changed from time to time by the Association's Board of Directors by filing an appropriate notice with the Kentucky Secretary of State. The Association may have such other offices, either within or without the Commonwealth of Kentucky, as the Board of Directors may designate or as the business of the Association may require from time to time.

**ARTICLE II  
MEMBERSHIP**

**Part A. Individual Members.**

**Section 1.** The Association shall have six (6) categories of Individual Members. Only natural persons may be Members in the Association. Members of the Association shall be admitted, retained, and expelled in accordance with procedures set forth in these Bylaws. The designation of such and the qualification and right of the members of each class shall be as follows:

(a) Senior Competing Members. Senior Competing Members are those individuals who have reached their 18<sup>th</sup> birthday and pay the annual dues prescribed by the Board of Directors. A Senior Competing Member shall be eligible to compete at horse shows to be recorded by ASHBA, shall be eligible for election to the Association Board of Directors, and shall be required to pay the member fee for transacting registry business.

(b) Contributing Competing Members. Contributing Competing Members are Senior Competing Members who have agreed to pay an additional amount not less than \$1,000 that shall be treated as a charitable donation to the Association. They shall have all the rights and privileges of a Senior Competing Member and shall receive an embossed certificate of membership.

(c) Lifetime Members. Upon payment of the fee prescribed by the Board of Directors of not less than \$2,500, an individual may become a Lifetime Member with no additional amount due to maintain membership during his/her lifetime. A Lifetime Member who has not reached their 18<sup>th</sup> birthday shall have the rights of a Junior Member and upon his or her 18<sup>th</sup> birthday shall have all the rights of a Senior Competing Member.

(d) Charter Club Affiliate Competing Members. Charter Club Affiliate Competing

Members are those individuals who have reached their 18th birthday and who are members of a Charter Club Affiliate. Their annual dues shall be prescribed by the Board of Directors. A Charter Club Affiliate Competing Member shall have the same rights as a Senior Competing Member.

(e) Junior Members. Junior Members are those individuals who are under the age of 18 as of January 1<sup>st</sup> of the current membership year. Their annual dues shall be prescribed by the Board of Directors. They shall be eligible to attend all meetings of the membership and take part in all junior programs developed by the Association but shall have no voting power nor be eligible for election to the Association Board of Directors. A Junior Member shall otherwise have the same rights as a Senior Competing Member.

(f) Fan Members. Fan Members are those individuals who have reached their 18th birthday and pay the annual dues for Fan Members as prescribed by the Board of Directors. Fan Members shall not be eligible to compete in horse show competitions recorded by ASHBA, shall not be eligible for election to the Association Board of Directors, shall have no voting power, and shall be required to pay the non-member fee for the registration or transfer of a horse with the Association. Fan Members shall have the ability to upgrade their membership to one of the categories described in subsections (a) through (d) above by paying the applicable dues for such category less credit for the Fan Member annual dues paid for the then-current year.

**Section 2.** Membership in the Association is a privilege and not a right and is open to any natural person who has indicated their interest in furthering the purposes of the Association. Application for membership in the Association shall be made on a form acceptable to the Association and delivered to the Association together with payment for the applicable membership fee. The applicant shall then become a member of the Association and shall be issued a membership card, which may be in paper or electronic form.

**Section 3.** Senior Competing Members, Contributing Competing Members, Lifetime Members, and Charter Club Affiliate Competing Members are eligible voting members. Each member entitled to vote shall be entitled to one vote on each matter submitted to a vote of members. All Members, irrespective of class, shall vote as a single class. Members entitled to vote at a meeting of members (or have their proxy vote counted) are Lifetime Members, Senior Competing Members, Contributing Competing Members, and Charter Club Affiliate Competing Members who are in good standing at the time of such meeting.

**Section 4.** The annual meeting of members shall be held for the purpose of transacting such business as may be properly brought before the meeting.

**Section 5.** Special meetings of members may be called by the Chair of the Board or Board of Directors and shall be called by the Chair of the Board at the request of one-fifth (1/5) of voting members then in good standing.

**Section 6.** Both the annual meeting of members and any special meetings of

members shall be held at such date, time and place, either virtually/remotely or within or without the Commonwealth of Kentucky, as may be designated in the notice thereof. Written notice stating the place or virtual/remote meeting site, day and hour of meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be given by notice posted to the Association's official website and by sending such notice not fewer than ten (10) nor more than thirty-five (35) days before the date of the meeting to each member at his or her last known email or mailing address as it appears in the Association's records. The Board of Directors may in its discretion mail notice to members whose annual memberships have lapsed, however, an individual's membership must be in good standing at the time of the meeting for their proxy or in-person vote to be counted.

#### **Section 7.**

- (a) Except as otherwise provided in this Section, five percent (5%) of the members entitled to vote, represented in person or by proxy, shall constitute a quorum at meetings of the members. The acts of a majority of the members present in person or by proxy at a meeting at which a quorum is present shall be the acts of the members, except that it shall require the affirmative vote of two-thirds (2/3rds) of the members present in person or by proxy at a meeting at which a quorum is present (i) to amend the articles of incorporation; (ii) to adopt a plan of merger or consolidation with another corporation; (iii) to authorize the sale, lease, or mortgage of substantially all of the assets or property of the Association; (iv) to authorize a voluntary dissolution of the Association or revoke a proceeding thereof; or (v) to adopt a plan for the distribution of the assets of the Association.
- (b) One percent (1%) of the members represented in person or by proxy shall constitute a quorum at the annual meeting of members for the purpose of electing two members of the Nominating Committee for Directors as provided in Article III, Part B.

**Section 8.** Except as otherwise limited by the Articles of Incorporation or these Bylaws, all members in good standing shall (i) obey and be bound by these Bylaws, the Code of Conduct, all rules and regulations of the Association, and decisions or actions of the Board of Directors, (ii) have the ability to serve on the Board of Directors, and (iii) the ability to serve on committees of the Board of Directors (unless such service is limited to members of the Board of Directors). The Board of Directors shall have the right to adopt and revise membership rules from time to time that are not inconsistent with these Bylaws, which shall apply to, and be binding upon, all members of the Association.

**Section 9.** Term of membership is from the date the membership application, and fees are received in the Association office or online and expires on December 31st of that calendar year. Membership renewals are effective the later of either January 1 or the date on which annual membership fees are received by the Association.

**Section 10.** A member not in violation of the rules and regulations of the

Association can be reinstated to good standing by paying the full annual membership fee for the current year. There is no penalty for such reinstatement.

**Section 11.** Application for membership will be considered at any time during the calendar year, but no applicant, regardless of when his or her application is submitted, may become a member without paying the full annual membership fee due for the entire year in which he or she becomes a member.

**Section 12.** Membership shall terminate upon the occurrence of any one of the following: (i) resignation in writing delivered to the Association, (ii) death, (iii) failure to pay the annual membership fee on or before the annual expiration date, or (iv) expulsion by the Board of Directors after a finding of a violation of the rules and regulations of the Association (including without limitation the Association's Code of Conduct and its Registry Rules) justifying the penalty of expulsion and after proper notice and full opportunity for hearing.

### **Part B. Charter Club Affiliates.**

**Section 1.** The Association may have Charter Club Affiliates consisting of Associations or clubs of twenty (20) or more members whose primary interest is in promoting the American Saddlebred horse.

**Section 2.** A minimum of 25% of the membership of the club must be members in good standing of the Association. Further, no Charter Club Affiliate shall have as a member any person who has been expelled from the membership of the Association.

**Section 3.** Each Charter Club Affiliate must be incorporated as a legal entity and not merely as an unincorporated association.

**Section 4.** Application to become a Charter Club Affiliate must be completed and submitted to the Association, together with payment of the annual fee prescribed by the Board of the Directors of the Association.

**Section 5.** Each Charter Club Affiliate is responsible for producing a minimum of two (2) annual events, such as for example a horse show, clinic, mall promotion, horse fair, or trail ride.

**Section 6.** The Bylaws of each Charter Club Affiliate must state a deadline for reporting club elections to its members.

**Section 7.** Only Association members in good standing shall be eligible to serve as officers of a Charter Club Affiliate.

**Section 8.** Bylaws of each Charter Club Affiliate must remain in compliance with the laws of its jurisdiction of incorporation and must not be inconsistent with the Articles of Incorporation, or Bylaws of the Association.

**Section 9.** The treasurer of each Charter Club Affiliate must make an annual report

to the members of such Charter Club Affiliate. An annual budget must be prepared and adopted by each Charter Club Affiliate, and each Charter Club Affiliate shall include procedures for appropriate financial oversight of its financial affairs.

### **Part C. Inspection of Records.**

**Section 1.** A Director shall be entitled to inspect during regular business hours at the Association's main office any of the books, records, and other documents of the Association, provided that the Director gives the Association written notice at least five (5) business days before the date on which the director wishes to inspect such books and records.

**Section 2.** A Director may copy any such books, records and documents, however, without the approval of the Board of Directors he or she may not disseminate such copies to anyone other than his/her attorney, accountant, or other expert advisor whose opinion the Director deems necessary to assist him/her in the discharge of his/her fiduciary obligations as a Director.

**Section 3.** In addition to the inspection and copying of the records of certain non-profit organizations permitted the public under the federal Internal Revenue Code and regulations, a member of the Association in good standing shall be permitted to inspect the Articles of Incorporation, Bylaws, financial statements, minutes, the record of executive compensation, as disclosed on IRS form 990, and list of the names and addresses of members of the Association during regular business hours, upon at least five (5) business days prior written notice of his or her request stating the purpose of the inspection.

**Section 4.** The Board of Directors shall permit copying of the documents subject to inspection in Section 3 above at the expense of the individual requesting copies, which expense shall include copying charges and reimbursement to the Association for the time expended by the Association's staff in connection with the assembling and copying of such documents.

**Section 5.** Notwithstanding any provision in these Bylaws to the contrary, no Director or member shall be permitted to inspect or copy the documentation residing in the registry records with respect to the private or confidential affairs of members or other individuals or entities transacting registry business, including without limitation, trust documents, partnership agreements, corporate resolutions, court orders, divorce decrees and wills or testaments.

**Section 6.** The Association shall publish the following documents on its website to make them available to all members.

- The current Articles of Incorporation, Bylaws, Rules and Regulations, and Policies of the Association;
- At least the previous three (3) years of audited financial statements;
- At least the previous three (3) years of IRS form 990 filings (or if no 990 is

- filed any similar IRS filing or return);
- Minutes for at least the past three (3) years from all Board meetings, Member meetings, Registry Council meetings, and meetings of any committee if the Board or Registry Council has delegated specific authority to that committee to take any action reserved to the Board or Registry Council and not to merely advise or make recommendations to the Board or Registry Council; Minutes shall be made available on tto the Board as soon as reasonably possible but at least within three (3) days before the next meeting;
- Candidate Nomination form for the Board of Directors.

#### **Part D. Litigation.**

**Section 1.** No member of the Association or participant in its programs may invoke the aid of any court without first trying to resolve any dispute by bringing it to the attention of the Association by written notice directed either to the Chair of the Board or the Board of Directors. Such member cannot invoke the aid of any court unless and until the member either receives a response from the Association adverse to the relief requested or does not receive any response from the Association within sixty (60) days of submitting the dispute to the Association

**Section 2.** All members agree and submit to the exclusive jurisdiction and venue of the state courts of Kentucky in Fayette County, Kentucky and the federal court of the United States District Court for the Eastern District of Kentucky in Lexington, Kentucky. No dispute can be raised in any other court or jurisdiction unless explicitly waived in writing by the Association. All disputes of a member or members with the Association will be governed by the laws of the Commonwealth of Kentucky (without reference to Kentucky's choice of law provisions), the Articles of Incorporation, these Bylaws, and any Rules or Regulations duly adopted by the Association.

### **ARTICLE III BOARD OF DIRECTORS**

#### **Part A. Directors.**

##### **Section 1.**

- (a) Subject to the provisions of Section 1(b) below, the Board of Directors shall consist of eleven (11) members and shall exercise all of the powers of the Association subject only to the restrictions imposed by law, by the Association's Articles of Incorporation, as amended, or by these Bylaws. Each Director must be a Lifetime Member, Contributing Competing Member, or Senior Competing Member, in good standing.
- (b) At least six (6) of the Directors comprising the Board must be Breeders. A maximum of two Amateurs do not have to be Breeders and a maximum of two Professionals do not have to be Breeders. At least four (4) of the Directors

shall be Professionals and at least six (6) of the Directors shall be Amateurs. The following definitions apply for purposes of this Section and qualifications of Directors:

- (i) Professional means any person who after their eighteenth (18<sup>th</sup>) birthday has engaged in any of the following activities within the previous one (1) year period:
    - Receives compensation (of any type including in cash or in kind) for training, assisting in training, showing, riding, driving, managing, or assisting in management of horses not owned by that person;
    - Receives compensation (of any type including in cash or in kind) as an agent in the sale or lease of a horse, including consignment transactions;
  - (ii) Amateur means any person who does not meet the definition of Professional.
  - (iii) Breeder means any person who within the previous five (5) years has been listed as the breeder of record of at least five (5) foals registered with ASHBA or who has been the owner of record of at least one (1) stallion who has had at least five (5) foals registered based on covers during the period the person owned the stallion. For purposes of this sub-section, breeder of record and owner of record applies to co-breeders and co-owners as long as the person owned at least 33% of the foals or stallion. Also for purposes of this subsection, breeder of record and owner of record applies to a person who is or was an officer, director, or a principal owner of an entity that is listed as the breeder of record or owner of record.
- (c) No Director can at the same time also be a director or officer of any other equestrian or horseman's organization with whom ASHBA has any affiliation or cooperation, including but not limited to United Professional Horsemen's Association (UPHA), United States Equestrian Federation (USEF), and Equine Sports Council (ESC). No Director can at the same time also be a committee member of any other equestrian or horseman's organization with whom ASHBA has any affiliation or cooperation, including but not limited to United Professional Horsemen's Association (UPHA), United States Equestrian Federation (USEF), and Equine Sports Council (ESC), without approval of a majority of the Board of Directors.

**Section 2.** A majority of the number of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors; but if less than such majority is present at a meeting, a majority of the Directors present may adjourn the

meeting from time to time without further notice.

**Section 3.** A regular meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and in the same place as, the Annual Meeting of members (or remotely, in the case of an Annual Meeting held remotely). The Board of Directors may provide, by resolution, the time and place, either within or without the Commonwealth of Kentucky, for the holding of additional regular meetings without other notice than such resolution. Meetings of the Board of Directors shall be conducted according to The Standard Code of Parliamentary Procedure. All regular meetings of the Board of Directors may include an “executive session” during which only Directors shall be present to discuss particularly sensitive items, including personnel issues.

**Section 4.** Special meetings of the Board of Directors may be called at the request of the Chair of the Board or any five (5) Directors. The person or persons authorized to call such special meetings of the Board of Directors may fix any place, within or without the Commonwealth of Kentucky or remotely, as the place for holding any special meeting of the Board of Directors called by them.

**Section 5.** Notice of any special meeting, stating the time, place, and purposes thereof, shall be given at least five (5) days prior thereto in person, by telephone, or by written notice delivered personally or electronically, telefaxed, mailed, or delivered by other reasonable means to each Director at his or her address as listed in the records of the Association.

**Section 6.** Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall not constitute a waiver of notice of such meeting if such Director attends the meeting for the sole and express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

**Section 7.**

- (a) A Director shall be subject to removal and shall be deemed to have resigned from the Board of Directors effective upon the occurrence of any of the following: (i) a Director fails to attend at least fifty percent (50%) of regularly scheduled meetings of the Board of Directors in a calendar year (unless attendance is excused for illness, emergency, etc.); or (ii) a Director fails to participate in at least one (1) Association Committee following his or her appointment to an Association Committee.
- (b) In addition, the Board of Directors may remove any Director “for cause” by following the procedures of this subsection and calling an affirmative roll call vote of 70% of all Directors then in office at any regular or special meeting of the Board of Directors, the results of which vote shall be recorded in the Minutes of the meeting. The procedure for removal of a Director shall be as follows: (1) a Director who wishes to make a motion for the removal of a Director shall contact the Executive Director of the Association and shall provide a statement of the reasons for the motion for removal; (2) the Executive Director shall notify

the Chair of the Board (or the Vice-Chair, if the Chair of the Board is the Director recommended for removal), and the Chair of the Board (or the Vice-Chair, if the Chair is the Director recommended for removal) shall meet privately with the Director who has been proposed for removal and shall advise the Director of the alleged reasons for removal. If the Officers determine that a special Task Force to investigate the alleged reasons for removal is appropriate, the Chair of the Board (or Vice-Chair, as the case may be) shall appoint a special Task Force of qualified individuals to investigate and advise the Board of Directors as to the results of their investigation; (3) if appropriate as determined by the Board of Directors, the Chair of the Board, with instructions and guidance of the Board of Directors, shall attempt to amicably resolve the matter in a manner that is acceptable to both the Director who has been proposed for removal and the Board of Directors; (4) if the matter is not amicably resolved, a statement of the alleged reasons for proposed removal shall be provided to all Directors, which shall include notice of the date and time of the meeting of the Board of Directors at which such matter shall be presented. The Director who has been proposed for removal shall be given an opportunity to be heard at such meeting. If less than three-fourths (3/4ths) of all Directors are in favor of the removal of such Director, such Director shall continue in office for the remainder of his or her term; if three-fourths (3/4ths) or more of all Directors then in office vote in favor of removal of such Director, he/she shall be deemed removed as a Director effective as of the date of the meeting of the Board of Directors at which vote was taken.

**Section 8.** Directors shall serve without compensation.

**Section 9.** Any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if consent in writing setting forth the action taken is signed by 70% of the Directors.

**Section 10.** The Board of Directors may meet at least monthly, but in no event less than every two months. Directors can attend meetings in person or by Remote Participation. "Remote Participation" means a telephonic or virtual video conference, whereby all Directors participating in the meeting can hear and speak to each other. Participation in a regular or special meeting by remote means (and by remote means at an in-person meeting if approved by the Board of Directors as set forth above) shall constitute presence in person at such meeting.

**Section 11.** Minutes shall be kept of all meetings of the Board of Directors and Registry Council. The minutes shall be transcribed within three (3) days before the next meeting and distributed to the Board of Directors or Registry Council, respectively, for their review and approval. A copy of the minutes shall be published by the Association electronically, within three (3) days after approval by the Board of Directors or Registry Council, respectively. Minutes from Executive Sessions will be kept but not published, and any action taken during executive session must be included in the minutes of the regular meeting that is published on the Association website, including recording of any

votes.

**Section 12.** Directors must vote in person and shall not be permitted to vote by proxy.

### **Part B. Election of Directors.**

**Section 1.** The Board of Directors shall be divided into three (3) classes, two classes consisting of four (4) directors and one class consisting of three (3) Directors. Each class shall be elected for a term of three (3) years and until their respective successors are elected and qualify. The terms of the three (3) classes shall be staggered so that only the Directors of one class shall be elected each year.

**Section 2.** No Director shall serve more than two (2) consecutive three-year terms, which must be followed by a period of one (1) year before his or her next election. In the event a Director is elected to fill a term of less than three (3) years, then he or she may be re-elected to two (2) consecutive three-year terms without a break in service.

**Section 3.** The Nominating Committee for Directors shall consist of five (5) members as follows: (i) two members shall be elected by the members of the Association at the annual meeting of the Association; (ii) two (2) members shall be selected by the Board of Directors at its board meeting immediately following the annual meeting of the Association; and (iii) one (1) member shall be appointed by the Chair of the Board and shall serve as the Chair of the Nominating Committee. These individuals can serve no more than two (2) consecutive years in this position, and must meet criteria described in Article III, Part A, Section I (c). At least one of the three members of the Nominating Committee for Directors selected pursuant to subparagraphs (ii) and (iii) shall be a member of the Registry Council. The immediate past Chair of the Nominating Committee for Directors shall also serve as a non-voting ex-officio member of the Nominating Committee for Directors. The members of the Nominating Committee for Directors shall serve until the next annual meeting. Any vacancies in the Nominating Committee for Directors shall be filled by the Board of Directors.

**Section 4.** The Nominating Committee for Directors shall review all candidate nomination forms submitted for consideration to be nominated as a candidate for the Board of Directors. To be considered by the Nominating Committee, nominees must be eligible to serve on the Board of Directors as provided in these Bylaws. Nomination forms will be considered that are submitted from the date of the immediately preceding annual election of Directors up to a deadline set by the Board of Directors not fewer than 60 days nor more than 90 days before the next upcoming annual election of Directors. Current Director's may submit nominations for election to the Board of Directors. Any eligible voting member can submit a nomination form for any other eligible voting member or for themselves. The Nominating Committee will include consideration of the following criteria in reviewing and selecting its recommended slate of nominees (provided, that the following criteria shall be one of various factors to be considered by the Nominating Committee, and shall not, be considered requirements for Directors):

(a) The geographical representation on the Board of Directors in relationship to the concentration of members in a given geographical area.

(b) Representation on the Board of Directors of both amateur and professional horsemen and horsewomen.

(c) The prospective nominee's level and duration of participation in relevant horse organization activities, involvement in Association activities, committees, youth clubs or futurities; membership on horse show committees; ownership or operation of a breeding, training, or riding lesson program; current service as a horse show judge or steward; and current owner, breeder, or exhibitor of American Saddlebred horses.

(d) The Nominating Committee for Directors should give special consideration to the composition of the current Board of Directors with respect to skills, knowledge and experience and upcoming leadership needs, and shall thoroughly evaluate the then-current needs of the Board of Directors. In selecting nominees, the Nominating Committee shall give special consideration to the following attributes:

(i) Ten or more years' involvement in American Saddlebred activities.

(ii) High level of expertise in financial, organizational and communication skills or other areas needed by the Association, taking into consideration the skills and experience of current and incumbent Directors.

(iii) Experience in innovative programs for American Saddlebreds.

(iv) The willingness, availability, and ability to attend Board of Directors and Committee meetings.

(v) Past volunteer experience (in both horse related, and non- horse related areas).

(e) In addition to the foregoing attributes, the Nominating Committee for Directors should ensure that, given the then current composition of the Registry Council (as defined below) and the term limits applicable to those Directors, there are sufficient nominees who qualify as Breeders (as defined above) to be considered for appointment to the Registry Council who have the following attributes:

(i) Extensive experience (by numbers or years) in the direct or indirect ownership of American Saddlebred horses used for breeding purposes and/or their progeny.

(ii) Extensive experience in the operation of American Saddlebred breeding activities (e.g., as a stud farm owner or operator, as a stud farm or broodmare manager, or as a reproductive veterinarian).

- (iii) Other relevant and tenured experience or interest in matters related to registry activities.

The Nominating Committee for Directors shall confirm the qualifications for each nomination submitted, including whether each nominee is a Professional or Breeder (as defined above). The Nominating Committee shall present a slate of nominees to the Board of Directors that includes at least one-and-a-half (1.5) as many nominees as Director seats up for election. The Nominating Committee shall also present to the Board the full list of nominees qualifying to serve on the Board of Directors. The Board of Directors shall vote either to accept the Nominating Committee's proposed slate or may add additional nominees to appear on the ballot as long as the ballot includes at least one-and-a-half (1.5) as many nominees as Director seats up for election. Specifically for the number of Breeder Director seats up for election, there must be at least one-and-a-half (1.5) as many Breeders included as nominees on the ballot as required Breeder seats up for election. The Board of Directors in its discretion may include up to all of the qualified nominees for whom nomination forms were timely submitted.

**Section 5.** The annual election of Directors shall take place at the annual meeting of Members.

- (a) The Board of Directors may in its discretion allow for early voting in advance of the annual meeting of Members, including electronic votes through an online voting system or vote by mail, provided that any early voting system is implemented in a manner that protects the integrity of ballots and the election. For any early voting system, whether mail-in ballots or an online voting system, no ballots may be opened or counted prior to the annual meeting of Members.
- (b) The nominees on the ballot receiving the highest number of votes shall become Directors until all seats up for election have been filled, provided that the constitution of the Board as required in Article III, Part A, Section 1 is maintained.
- (c) After the Director seats up for election have been filled according to the procedure above, the next three nominees receiving the most votes in the election shall become alternates in the event of a vacancy.
- (d) Any vacancy occurring on the Board of Directors shall be filled by the alternate with the next highest number of votes in the previous election, provided that the constitution of the Board as required in Article III, Part A, Section 1 is maintained. If, after a vacancy, the maximum number of Professionals is already serving as Director, a Professional cannot fill the vacancy, and if after a vacancy a Breeder is needed to meet the minimum number of Breeders, only a Breeder can fill the vacancy. An alternate selected in this manner shall serve out the remainder of the term whose vacancy he or she is filling, and shall be eligible to be elected to two (2) additional consecutive terms. If none of the three alternates are willing to serve or if the qualifications of the three (3) alternates prevent them from being named Directors because of the required

constitution of the Board under these Bylaws, then the Board of Directors shall appoint a Member to fill the vacancy until the next annual meeting of Members, and a special election shall be held as part of the annual election of Directors. The seats shall remain part of the same class, and the term of the member elected through the special election shall only be for as long as the remaining term of the former Director who vacated the seat.

#### **ARTICLE IV REGISTRY COUNCIL**

**Section 1.** In addition to the other Committees of the Board of Directors set out in Articles V and VI below, there shall be a Registry Council, subject to the control of the Board of Directors, to oversee the functions of the registry of the purebred American Saddlebred horse (and any other part-bred American Saddlebred horse registry(ies) that may be established, acquired, or continued by the resolution of the Board of Directors). The Registry Council shall oversee the American Saddlebred Registry Trust ("Registry Trust") and direct the discretionary disbursements permitted by the Registry Trust document.

**Section 2.** The Registry Council shall have five (5) members, each of whom shall be members of the Board of Directors. The Registry Council shall consist of at least three (3) Breeder members of the Board of Directors plus two (2) additional members of the Board of Directors who may also qualify as Breeders. The Registry Council members shall be appointed by vote of the Board of Directors. Registry Council members shall serve on the Registry Council for their respective elected terms as members of the Board of Directors of the Association. Vacancies on the Registry Council shall be filled by election by the Board of Directors at the next meeting following the annual election of Directors, or in the event of vacancies created in the middle of a term, election by the Board of Directors at the next Board of Directors meeting following creation of the vacancy.

**Section 3.** The Registry Council shall select a chairperson to preside over the meetings of the Registry Council, appoint the members of the committees of the Registry Council, and serve as a member of the Executive Leadership Committee and the Finance Committee.

**Section 4.** The Registry Council shall have the power to create and name members of committees of the Registry Council, including for example committees for National Futurities, State Futurities, Sweepstakes. The Registry Council shall establish a Registry Rules Committee which shall be responsible for providing input to the Registry Council on registry rule interpretation and enforcement. The Registry Council ultimately has responsibility for Registry rule interpretation and enforcement.

**Section 5.** All funds of the Registry must be kept separate from any other funds of the Association and accounted for separately. All funds of the Registry Council are subject to the control of the Registry Council with input from the Board of Directors.

## **ARTICLE V EXECUTIVE LEADERSHIP COMMITTEE**

**Section 1.** The Executive Leadership Committee shall consist of five (5) members: the Chair of the Board, Vice-Chair, Secretary, Treasurer, and Registry Chair. I

**Section 2.** The Executive Leadership Committee shall provide oversight, with the Board of Directors, for the Executive Director in performing the administrative matters of the Association, including by example human resources, contractor identification, budget preparation, and Board of Director meeting agendas.

**Section 3.** The Executive Leadership Committee shall not have any authority to transact business on behalf of the Association or make any decisions on behalf of the Board of Directors; all such powers and authority are expressly reserved to the Board of Directors unless expressly delegated by the Board of Directors by vote at a duly called meeting of the Board of Directors.

## **ARTICLE VI OTHER COMMITTEES**

All committees shall report to the Board of Directors. The Chair of the Board will report the name of each committee and the members thereof to the Board of Directors within fifteen (15) days of proposed appointment. In addition to the Standing Committees established pursuant to Article III (Nominating Committee for Directors), Article IV (Registry Council), Article V (Executive Leadership Committee), and Article VII (Nominating Committee for Officers), the Chair of the Board must appoint the following committees, subject to approval by the Board of Directors of the Chair's proposed appointments.

- Audit/Internal Controls Committee
- Equine Welfare Advocacy Committee
- Finance Committee
- Human Resources & Compensation Committee

The Chair of the Board may appoint such other standing and ad-hoc committees and the chairpersons thereof for such terms as the Chair deems necessary or appropriate to further the purposes of the Association, but the Chair must appoint specific additional committees if directed by the Board of Directors upon motion at a duly called Board meeting. These optional committees may be modified from time- to-time by the Board of Directors without amending the Bylaws. Among the potential committees that may be appointed include,

- Charter Club Committee

- Half-Saddlebred Committee
- Marketing Committee
- Sport Horse Committee
- WCHS Advisory Committee
- Youth Committee

## **ARTICLE VII OFFICERS**

**Section 1.** The Officers of the Association shall be a Chair of the Board, Vice-Chair, Secretary, Treasurer, and Registry Chair. The Officers shall be elected by the Board of Directors, with the exception of the Registry Chair, who shall be elected by the Registry Council. Each Officer must be a member of the Board of Directors.

**Section 2.** Each Officer shall hold office for a term of one (1) year and until his or her successor shall have been duly elected and shall have accepted his or her election, unless such officer shall die, resign or be removed from office prior thereto.

**Section 3.** An officer may be allowed to serve a second consecutive year if approved by at least seven (7) Directors. An officer may be allowed to serve a third consecutive year if approved by at least eight (8) Directors. Consistent with these Bylaws, an officer must remain a member of the Board of Directors in order to serve any consecutive terms as an officer.

**Section 4.** Any officer may be removed by majority vote of the Board without any requirement or showing of cause. The election as an officer of the Association shall not create contract rights.

**Section 5.** A vacancy in any office of the Association may be filled by the Board of Directors for the unexpired portion of the term, with the exception of the Registry Chair, which shall be filled by the Registry Council.

**Section 6.** The Chair of the Board shall be the principal executive officer of the Association and, subject to the control of the Board of Directors, shall in general be responsible for enforcing observance of policies formulated by the Board of Directors. He or she shall preside at all meetings of the members and of the Board of Directors. He or she may sign, with the Secretary or any other proper officer of the Association thereunto authorized by the Board of Directors, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed; and in general shall perform such other duties as may be prescribed by the Board of Directors from time to time.

**Section 7.** The Vice-Chair shall assist the Chair on any and all matters designated

by the Chair. In connection therewith, the Vice-Chair shall perform such duties as from time to time may be assigned to him or her by the Chair or by the Board of Directors. In the absence of the Chair, or in the event of his or her death, inability, or refusal to act, the Vice-Chair shall perform the duties of the Chair, and when so acting shall have all the powers and be subject to all of the restrictions imposed upon the Chair.

**Section 9.** The Secretary or his or her designee shall keep the minutes of the proceedings of the members and the Board of Directors in one or more books provided for that purpose. The Secretary shall perform such other duties as from time to time may be assigned to him or her by the Chair of the Board or the Board of Directors. The Chair of the Board may appoint one or more Assistant Secretaries (who may or may not be members of the Board of Directors) to assist the Secretary in the performance of his or her duties.

**Section 10.** The Treasurer shall (a) oversee policies and procedures pertaining to the books and records of accounts and all funds and securities of the Association, (b) provide a timely, periodic financial reports and reviews of the statement of financial position, statement of the activities, statement of cash flow, and statement of functional expenses of the Association to the Board of Directors, (c) provide the foregoing reports and statements at each regularly-scheduled board meeting, (d) serve as Chair of the Finance Committee, and (e) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Chair of the Board or by the Board of Directors. The Chair may appoint one or more Assistant Treasurers (who may or may not be members of the Board of Directors) to assist the Treasurer in the performance of his or her duties.

**Section 11.** The Registry Chair shall serve as a liaison between the Registry Council and the Board of Directors and the Executive Director with respect to registry matters and the committees of the Registry Council. The Registry Chair shall perform such other duties as from time to time may be assigned to him or her by the Chair of the Board or by the Board of Directors. The Registry Chair shall serve on the Executive Leadership Committee and the Finance Committee.

**Section 12.** The Board of Directors may elect to appoint a Parliamentarian to advise the presiding officer at any meeting of the Board of Directors with respect to points of order and procedure in the conduct of the meeting, which shall be conducted according to The Standard Code of Parliamentary Procedure.

**Section 13.** Officers shall not be compensated.

**Section 14.** The Association shall employ (a) an Executive Director to perform and oversee the day-to-day management of the Association, (b) a Registrar to perform and oversee the registry function of the Association, and (b) such other employees necessary to perform the administrative functions of the Association. The Executive Director shall report to the Board of Directors. The Registrar shall report to the Registry Council. All other employees shall report, directly or indirectly, to the Executive Director. The compensation of the Executive Director and other employees of the Association shall

be fixed by the Board of Directors. The Executive Director is not an officer or Director of the Association and shall not be entitled to vote on any matters.

## **ARTICLE VIII INDEMNIFICATION**

**Section 1. Indemnification by the Association.** To the fullest extent permitted by law, and in accordance with the provisions of the Kentucky Nonprofit Corporation Acts and this Article VIII, the Association shall advance and indemnify any person against “reasonable expenses” (as defined herein) incurred by him or her in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (“Proceeding”), to which he or she is or is threatened to be made a party, because he or she is or was a director, officer, employee, committee member, or volunteer of the Association, or is or was serving at the request of the Association as a Director, officer, partner, employee, or agent of another domestic or foreign corporation, partnership, joint venture, trust, other enterprise or employee benefit plan if such person (“Person”) was determined, in the manner prescribed by Section 4 of this Article VIII, to have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Association, and regarding any criminal Proceeding, had no reasonable cause to believe his or her conduct was unlawful (“Standard of Conduct”), except in relation to matters as to which he or she has been adjudged in the Proceeding to be liable for negligence or misconduct in the performance of duty to the Association, or found guilty, pled guilty, or pled *nolo contendere* in a criminal matter.

**Section 2. Expenses Defined.** For the purposes of this Article VIII, the term “reasonable expenses” shall mean all costs actually incurred and disbursements made by a Person in connection with a Proceeding, including, without limitation, amounts paid as a result of a judgment, fine, tax or penalty, or in settlement of any Proceeding, and attorneys’ fees and court costs incurred in connection therewith.

**Section 3. Reimbursement of Expenses.**

(a) The Association shall pay or reimburse reasonable attorneys’ fees and reasonable costs actually incurred by a Person in connection with the defense of a Proceeding in advance of the final disposition of such Proceeding if both of the following conditions have been satisfied:

(i) There has been a determination by the Board that the facts then known to those making the determination would not preclude indemnification under Section 1 of this Article VIII and the Kentucky Nonprofit Corporation Acts; and

(ii) The Board of Directors has received from the Person who is a party to the Proceeding a written agreement to repay all amounts paid or reimbursed by the Association if he or she is ultimately adjudged liable for gross negligence or willful misconduct in the performance of duty to the Association or is found guilty, pled guilty, or pled *nolo contendere* in a criminal matter. The undertaking required by the Person under

this Subsection of this Article VIII shall be an unlimited general obligation of that Person, with such security, if any, as the Board of Directors may reasonably require.

**Section 4. Determination of Standard of Conduct and Reasonableness of Expenses.** Determinations of whether the Standard of Conduct has been met and whether expenses are reasonable shall be made as follows:

(a) By the Board of Directors by a majority vote of a quorum consisting of Directors not at the time parties to the Proceeding;

(b) If such a quorum cannot be obtained, then by a majority vote of an ad-hoc committee of the Board of Directors, duly designated to act in the matter by a majority of the full Board of Directors (in which the Directors who are parties to the Proceeding may participate), consisting solely of two or more Directors not at the time parties to the Proceeding; or

(c) By special legal counsel selected either by the Board of Directors or a committee thereof by a vote in accordance with Subsections (a) or (b) of this Section 4, or if the requisite quorum of the full Board of Directors cannot be established, by a majority vote of the full Board of Directors (in which the Directors who are parties to a Proceeding may participate).

**Section 5. Purchase of Insurance.** Unless such insurance is not available on commercially reasonable terms, the Association shall purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, committee member, or volunteer of the Association or is or was serving at the request of the Association as a Director, officer, partner, employee, or agent of another domestic or foreign corporation, partnership, joint venture, trust, other enterprise or employee benefit plan, against any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, regardless of whether the Association would have had the power or be obligated to indemnify him or her against such liability under the provisions of this Article VIII or the Kentucky Nonprofit Corporation Acts.

**Section 6. Scope of Indemnification.** The indemnification for which this Article VIII provides shall not be deemed exclusive or a waiver of any other rights to which the Person may be entitled under any statute, provision of the Association's Articles of Incorporation, any other provision of these Bylaws or resolution of the Board of Directors and shall inure to the benefit of the heirs and personal representatives of a Person.

## **ARTICLE IX CONTRACTS, LOANS, CHECKS, AND DEPOSITS**

**Section 1.** The Board of Directors may authorize any officer or officers, employee, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

**Section 2.** No loan shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

**Section 3.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

**Section 4.** All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

## **ARTICLE X FISCAL YEAR**

The fiscal year of the Association shall be the calendar year and shall begin on the first day of January and end on the last day of December of each year.

## **ARTICLE XI STOCK NONEXISTENT**

All shares of stock of the Association issued by it at any time in the past are deemed nonexistent, and no holder of any such shares shall have any rights with respect thereto.

## **ARTICLE XII COMPLIANCE WITH RULES AND REGULATIONS AND LAWS**

**Section 1.** All members of the Association shall be subject to the Rules and Regulations of the Association, including any Code of Conduct as adopted and approved by the Association Board of Directors from time to time, and as published on the Association's website.

**Section 2.** The Board of Directors shall take such actions as may be required to cause the Association to be in full compliance with all laws, rules and regulations applicable to the Association, including, but not limited to, all provisions pertaining to 501(c)(3) entities under the Internal Revenue Code.

## **ARTICLE XIII REGISTRY SEAL**

The Association may utilize a seal (which may be physically imprinted or a digitally created facsimile) to be placed on original registration certificates for horses registered with the registry. The Registry Seal shall be circular in form and shall have inscribed thereon the name of the Association, the state of incorporation, and include the word "Seal." No seal shall be required for other documents of the Association.

## **ARTICLE XIV REGISTRY RULES AND REGULATIONS**

Subject to the approval of the Board of Directors, the Registry Council shall prescribe fees and rules and regulations for the registration and transfer of ownership of horses, futurity and sweepstakes nominations, and other registry related activities. The Registry Council may establish and amend the Rules and Regulations for the Registration and Transfer of the American Saddlebred Horse and Hearings, Violations & Penalties. Application for registration and registration certificates shall be in the form prescribed from time to time in the Rules and Regulations. Only purebred American Saddlebred Horses shall be registered with the Registry, except the Registry may maintain such other registries as the Board shall approve for horses other than purebred American Saddlebreds. The Registry Council and any of its subcommittees to whom the Registry Council designates authority shall have jurisdiction to interpret and review alleged violations of the Registry Rules and Regulations and to recommend to the Board of Directors penalties and other enforcement action.

## **ARTICLE XV REGISTER**

The Registrar, under the supervision of the Registry Council, shall cause to be updated and posted electronically an "American Saddlebred Register" in which shall be recorded, in a manner prescribed by the Registry Rules and Regulations, the pedigree of each horse registered with the Association.

## **ARTICLE XVI AMENDMENTS**

**Section 1.** These Bylaws may be amended only by two-thirds (2/3) vote of eligible members voting upon any proposed amendment. Written notice of any proposed amendment to the Bylaws, including the text of the proposed amendment, shall be provided to all members by mail or by email or by posting conspicuously on the Association website with the notice of Members meeting where the proposed amendment will be considered. Such Notice must be provided by the Association at least thirty (30) days before the meeting of members where the proposed amendment will be considered and vote upon. Any amendment must not be inconsistent with applicable law or the Articles of Incorporation of the Association.

**Section 2.** A proposed amendment may be submitted to the membership for adoption if approved by a majority of the Board of Directors. Any member may submit a request for amendment of the Bylaws to the Board of Directors through the Chair of the Board. Upon receipt of a proposed amendment, the Chair must distribute the proposed amendment to the Board of Directors and must place the proposed amendment on the agenda for the next Board meeting that is at least 14 days after the date of receipt by the Chair. Upon approval of a proposed amendment by the Board of Directors, the Chair shall call a members meeting within 90 days (or place the proposed amendment on the

agenda for the annual members meeting if it is already scheduled within not less than 14 and not more than 90 days from approval by the Board of Directors).

**Section 3.** Additionally, the Chair of the Board and Board of Directors must submit a proposed amendment for full consideration and vote by the membership if at least seventy-five (75) eligible voting members submit a proposed amendment for consideration, regardless of whether the proposed amendment is approved by a majority of the Board. Upon receipt by the Chair of the Board of a proposed amendment submitted on behalf of at least seventy-five (75) eligible voting members, the Chair shall call a members meeting within 90 days (or place the proposed amendment on the agenda for the any members meeting that is already scheduled within not less than 14 and not more than 90 days from approval by the Board of Directors).