

Bylaws of The Arabian Horse Society of South Dakota, Inc.

Section I Office

The Office of the Corporation shall be the address of the current Secretary of the Corporation. In the event the Secretary changes, the incoming Secretary shall file all necessary papers with the South Dakota Secretary of State to change the Office on record.

Section II Purpose—Non-Profit

The Corporation shall carry out and perform the purposes for which it was formed and which are expressed in Article III of its Articles of Incorporation, including:

- a) To stimulate popular interest in Arabian horses and their proper care and propagation;
- b) To cooperate with other organizations and individuals in developing and maintaining the highest qualities of this incomparable breed;
- c) To encourage, aid and conduct exhibits, shows, and activities for the purpose of exploiting the outstanding qualities of Arabian horses;
- d) To formulate and promote publicity and educational programs and other activities in the interest of Arabian horses;
- e) To investigate and study the history and characteristics of Arabian horses, their breeding, genetics and husbandry, and to disseminate useful information concerning them;
- f) To receive donations, bequests and devises of property, both real and personal;
- g) To own, hold, purchase, trade, sell, exchange and deal in, and otherwise dispose of, real and personal property of whatever kind and nature; and
- h) To do any and all things necessary, appropriate or incidental to the accomplishment of the foregoing objectives.

Section III Board of Directors

The Board of Directors of the Corporation shall consist of seven or eight voting members of this Corporation, four (4) of which are to be elected at the Annual Meeting of the membership for two-year terms (two elected each year). The Officers of the Corporation (President, Vice President, and Secretary and/or Treasurer) shall serve as the other three or four (3 or 4) voting members. The President of the Corporation shall be a voting member of the Board of Directors only in case of a tie.

Section IV Powers of Directors

The Board of Directors, in addition to the powers conferred by these Bylaws, shall have the right to exercise such power and do such acts as may be exercised by the Corporation, subject to the statutes of the State of South Dakota and to the provisions of the Articles of Incorporation and the Bylaws of the Corporation.

Without prejudice to the general powers conferred and the other powers conferred by statute, by the Articles of Incorporation and these Bylaws, it is hereby expressly declared that the Board of Directors shall have the following powers:

- a) To appoint and employ, and at its discretion to remove and suspend, permanently or temporarily, such officers, managers, subordinate managers, assistants, clerks and agents as it may, from time to time, choose; and to determine and fix and change their salaries and emoluments; and to require such security in such instances and in such amounts as it may determine; and to confer by resolution upon any officer of the Corporation to choose, to remove or suspend all subordinate officers or agents and to fix and change their salaries;
- b) To determine who shall be authorized to sign on the Corporation's behalf, bills, receipts, endorsements, check, releases, contracts and documents;
- c) To provide from time to time for the management of the affairs of the Corporation in such a manner as it may think fit, and in particular, and from time to time, to delegate any of the powers of the Board of Directors to any committee, officer or agent, except (1) the power to alter or amend these Bylaws, and (2) the power to fill vacancies in the membership of the Board of Directors;
- d) To appoint any persons to be the agents of the Corporation;
- e) To employ attorneys; and
- f) To accept on behalf of the Corporation any contribution, bequest or devise for the general purposes or any special purpose of the Corporation.

Section V Meetings of Directors

The annual meeting of the Board of Directors of the Corporation shall be held between the 1st day of October and the 31st day of December of each year, the date and place to be fixed by the Board. Each Director shall be deemed to have notice of the time and place of the holding of the annual meeting of the Board of Directors, and no notice thereof shall be necessary.

The Board of Directors shall meet regularly, at such time and place as the Board from time to time may determine. Special meetings may be held at the principal office of this Corporation, or at such other place as the Board of Directors may designate, upon call of the President and five (5) days written notice to the Board of Directors. Any meeting of the Board of Directors may be held at any time without notice, provided a written waiver of notice of such meeting is obtained from any Director not attending such meeting.

Four (4) Directors shall constitute a quorum for transaction of business at any regular or special meeting of the Board of Directors, but if less than a quorum be present, a majority of those attending may adjourn the meeting to a future date.

Section VI Resignation of Director

Any member of the Board of Directors may resign by submitting a written resignation at any meeting of the Board of Directors, or by mailing or telegraphing such resignation to the Corporation; and thereupon such resignation, without necessity of any acceptance, shall become effective forthwith unless otherwise specified therein. The unexcused absence from three consecutive meetings of the Board of Directors shall be deemed equivalent to a resignation.

Section VII Vacancies on Board of Directors

Vacancies on the Board of Directors may be filled at the Annual Meeting of the Board of Directors, at any regular meeting of the Board of Directors, or any special meeting called for that purpose. An affirmative vote of the majority of all Directors present at such meeting will be required to fill any such vacancy. The Director thus elected shall serve until the next Annual Meeting of the membership, at which time the voting members shall elect a Director to fill the vacancy if necessary.

Section VIII Officers

The Officers of the Corporation shall consist of a President, Vice President, and Secretary and/or Treasurer, and such other officers, employees and committees as the Board of Directors or the membership may, from time to time, appoint or elect. The officers of the Corporation shall be elected at the Annual Meeting of the membership, and shall hold office for one year, or until their successors are elected and qualify, unless sooner removed by a vote of the membership as herein specified. Only persons holding voting memberships shall be eligible to hold office.

Section IX Removal of Officers

Any officer of the Corporation may be removed by the membership for, or without, cause, at any regular or special meeting, of which at least five (5) days' written notice shall be given to all members, and if it be stated in notice of such meeting that among the objects thereof shall be the removal of an officer or officers of the Corporation; provided that it shall require an affirmative vote of two-thirds of the total membership at that time paying dues, to remove any officer prior to the expiration of his or her term.

Any vacancy in the office of the President shall be filled by the Vice President, and a new Vice President shall be elected to fill the vacancy in office.

Section X Duties of Officers

The Officers of this Corporation shall perform such duties as naturally appertain to their respective offices, and in addition to such duties as the Board of Directors or membership of the Corporation may from time to time impose on them. The President, or in his absence, the Vice President, shall preside at all meetings of the Directors and membership, and appoint all standing committees as approved by the Board of Directors and passed on by the membership. The Vice President shall act as an aide to the President and shall perform the duties of the President in his absence. The Secretary shall, in general, conduct the correspondence of the Corporation and be responsible for notifying the members of all meetings. The Secretary shall also be responsible for recording the minutes of all meetings, including the Board of Directors, and keep an accurate list of members of the Corporation, along with the addresses of such members. The Treasurer shall receive all money of the Corporation and pay all bills authorized by the Board of Directors, and shall keep an accurate account of all receipts and disbursements, and present a report at each meeting of the Board of Directors of all transactions for the preceding month. The Treasurer shall use his own discretion in paying up to \$50 per month in total bills (excluding International Arabian Horse Association membership dues), without first receiving direct authorization from the Board of Directors. Reports of all such transactions, however, shall be presented at the next meeting of the Board of Directors. The books in which the Treasurer's report of receipts and disbursements for the year have been kept, together with the warrants, vouchers and annual itemized account of the Treasurer, shall be submitted to the Annual Meeting of the Board of Directors. All contracts of the Corporation shall be in writing and signed on behalf of the Corporation by the President and Secretary, or such other officers or persons as may be designated by resolution of the Board of Directors.

Section XI Compensation of Officers

Neither the Officers nor the Directors of this Corporation shall receive any compensation for their services as such, either directly or indirectly.

Section XII Membership

Application for membership to the Corporation must be made in writing and in such form as may be designated by the Board of Directors. The application must be accompanied by the written recommendation for membership of a member of the Corporation in good standing and the required fee for current dues. The applicant shall be admitted to membership only upon approval of the Board of Directors; however, this rule shall not apply to charter members. Membership is not transferable, and shall cease upon the death of the member. Any person wishing to become a member of the Corporation shall acquire a copy of the Bylaws to read before making application for membership as hereinbefore set forth. Any person wishing to become a member of the Corporation, who is under the age of 18 years, must have a parent or guardian co-sign the application form as hereinabove set forth.

The voting membership shall consist of individuals owning Purebred Arabian horses which are registered with the Arabian Horse Club Registry; or owners of Half-bred Arabian horses which are registered in the International Arabian Association Registry, or who are interested in promoting the Arabian horse to its best advantage.

Membership classifications shall be as follows:

- a) Adult Membership—entitled to one (1) vote.
- b) Associate Membership—entitled to no vote.
- c) Youth Membership—entitled to no vote.

Each of the above membership classifications shall pay annual dues to the Corporation, to be set by the voting members present at the Annual Meeting of the Membership and to cover membership until the end of the calendar year. Membership dues shall be billed 30 days prior to due date, and if not paid in full 30 days after due, the member so not paying shall be dropped from the membership rolls. All members are eligible for privileges in the Corporation, other than voting privileges as listed above.

Section XIII Expulsion of Members

A member of the Corporation may be suspended or expelled by a unanimous vote of the Board of Directors, providing that ten (10) days written notice be first given to such member, allowing him a hearing before the Board of Directors. Upon the termination of membership of an expelled member, a pro-rata portion of the current year's dues shall be remitted, and the terminated member shall have no other property right or interest in the property of the Corporation.

Any member conducting themselves in such a manner as to be an offense to the Corporation, or the cause disunity among members of the Corporation, may be excluded from the Corporation as hereinabove set forth.

Section XIV Meetings of Membership

Regular meetings of the membership shall be held at least quarterly, at the time and place to be designated by the Board of Directors, which time and place shall be designated in a written notice to each member and mailed by the Secretary of the Corporation at least ten (10) days prior to such meeting.

Annual meetings of the membership shall be held in the last quarter of each calendar year, at the time and place to be designated by the Board of Directors, which time and place shall be designated in a written notice to each member and mailed by the Secretary of the Corporation at least ten (10) days prior to such meeting.

Special meetings of the membership may be called by the President of the Corporation, at such time and place as designated by the Board of Directors, which time and place shall be designated in a written notice to each member and mailed by the Secretary of the Corporation at least five (5) days prior to such meeting.

Fifteen percent (15%) of the voting members of the Corporation, or a minimum of ten (10) members, shall constitute a quorum for the transaction of business.

Section XV Disbandment

In the event that a decision is made to disband, all club assets shall be turned over to a local charity, as to be voted upon by the membership of the Corporation at the time of disbandment.

Section XVI Committees

Committees are to be appointed by the President, selected from the voting membership of the Corporation. All committees shall properly account for all receipts and disbursements made by them in their official capacity, and prepare a report in acceptable form for submission to the Board of Directors.

Section XVII Retention of Records

All records dealing with the business and finances of this Corporation shall be retained and made available for a period of seven (7) years.

Section XVIII Indemnification

A. Liability of Directors, Officers and Members—Except as otherwise provided by any provision of law, no person shall be liable to the Corporation for any loss or damage suffered by it on account of any action taken or omitted to be taken by him or her as a Director, Officer or Member of the Corporation, or of any other organization which he serves as a Director or Officer at the request of the Corporation, in good faith, if such person (a) exercised and used the same degree of care and skill as a prudent person would have exercised or used under the same circumstances in the conduct of his own affairs, or (b) took or omitted to taken such action in reliance upon advice of counsel for the Corporation or upon statements made or information furnished by officers or employees of the Corporation which he had reasonable grounds to believe to be true. The foregoing shall not be exclusive of other rights and defenses to which he may be entitled as a matter of law under these Bylaws.

B. Indemnification of Officers, Directors and Members—Unless provided otherwise by any provision of law, every Director, Officer or Member, or former Director, Officer or Member, or person who may have served at the Corporation's request as a Director or Officer or another organization in which it owns shares or capital stock or of which it is a creditor, shall be indemnified by the Corporation against all costs, damages and expenses asserted against, incurred by or imposed upon him in connection with or resulting from any claim, action, suit or proceeding, including criminal proceedings, to which he may be made a party by reason of his being or having been such Director, Officer or Member, except in relation to matters as to which a recovery shall be had against him by reason of his having been finally adjudged in such action, suit or proceeding, to be liable for negligence or misconduct in the performance of his duties to the Corporation as such Officer, Director or Member. This indemnity shall include, but shall not be limited to, reimbursement of attorney's fees and of any amounts and expenses incurred and paid in settling any such action, suit or proceeding or any judgment rendered therein.

In the event of settlement before judgment, indemnification, including reasonable attorney's fees, shall be paid when settling before judgment appears to be in the interest of the Corporation, provided that the same is found to be reasonable by the Board of Directors or a court having jurisdiction of the matter.

In the case of a criminal action, suit or proceeding, a conviction judgment (whether based on a plea of guilty or nolo contendere or its equivalent, or after trial), shall not be deemed an adjudication that such Director, Officer or Member is liable for such negligence or misconduct in the performance of his duty to the Corporation, if such Director, Officer or Member was acting in good faith in which he considered to be the best interests of the Corporation and with no reasonable cause to believe that the action was illegal.

The foregoing rights of indemnification shall be in addition to all rights to which Officers, Directors, or Members of the Corporation may otherwise be entitled as a matter of law.

In the event any subsection or provision of this Section of the Bylaws of the Corporation is found by a court of competent jurisdiction to be void, voidable, or invalid, such finding shall not affect any other provision or subsection which can be given effect without the void, voidable or invalid protection.

Section XIX Seal

The seal of the Corporation shall be in the form of a circle and shall bear the name of the Corporation and the words "Corporate Seal, South Dakota".

Section XX Sturgis Standard Code of Parliamentary Procedure

The current edition of Sturgis Standard Code of Parliamentary Procedures will govern this Corporation in all situations that are not provided for by statute, in the Articles of Incorporation or in these Bylaws.

Section XXI Amendment or Repeal

These Bylaws may be repealed or amended, or new Bylaws adopted, at any meeting of the membership called for such purposes, provided, however, that the proposed addition, alteration or repeal shall be submitted to the Secretary of the Corporation at least 30 days prior to any such meeting, and that the Secretary of the Corporation shall mail a copy of any such proposed addition, alteration or repeal to all voting members at least ten (10) days prior to the meeting at which voting shall take place. Any addition, alteration or repeal shall be approved by a two-thirds majority of the voting membership at such meeting.

It is provided, however, that Section XIII of the Bylaws, Expulsion of Members, cannot be amended, altered or repealed except by a unanimous vote of the membership of the Corporation.