

**BY-LAWS OF THE
AMERICAN SADDLEBRED ASSOCIATION
OF THE CAROLINAS, INC.**

ARTICLE I - NAME

The name of this organization shall be "American Saddlebred Association of the Carolinas, Inc." which hereafter will be referred to in these by-laws as the "Association".

ARTICLE II - PURPOSES

The members of this Association have voluntarily associated themselves together into an organization designed to carry out the following purposes:

A. To promote the breeding, raising, training, sales and exhibiting of the American Saddlebred Horse in the Carolinas and elsewhere, and to promote other activities and events of a nature to create enthusiasm, use, pleasure, and interest in the American Saddlebred horse.

B. To encourage and educate youth and adults interested in the American Saddlebred horse, and to promote the highest standards of showmanship and sportsmanship through better communications with those interested in the breed.

C. To cooperate with educational institutions, governmental agencies, civic organizations, and the general public to promote the American Saddlebred horse.

D. To cooperate with and assist horse show managers and organizations who promote horse shows in the selection and spacing of classes of the American Saddlebred horse, and to develop better horse shows throughout the Carolinas, and to further the objectives of the Association, but not for profit of the individual members; provided, however, the Association shall possess and exercise any and all other powers conferred by law on like corporations.

ARTICLE III - MEMBERSHIP

Section 1. The Association shall have three (3) classes of Individual Members which shall be held under the name of one individual. The designation of such and the qualification and rights of the members of each shall class shall be as follows:

(a) Lifetime. Lifetime Members are those individuals who have reached their 19th birthday and pay \$500.00 lifetime dues in support

of the Association. They shall have all the right and privileges of a Senior Member.

(b) Senior. Senior Members are those individuals who have reached their 19th birthday and pay annual dues in support of the Association as established by the Board of Directors. Senior members shall be entitled to vote in person or by proxy on each matter submitted to a vote of members.

(c) Junior. Junior Members are those individuals who are age 18 and under. 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. Their annual dues shall be established by the Board of Directors.

(d) Members of the Association shall be either residents of North Carolina or South Carolina or shall breed, raise, board or exhibit one or more American Saddlebred horses with a trainer who resides in North Carolina or South Carolina, and shall be admitted, retained and expelled in accordance with procedures set forth in these Bylaws. Each Member entitled to vote shall be entitled to one vote either in person or by proxy on each matter submitted to a vote of members.

Section 2. Termination of Membership - Any member may resign his membership upon giving notice in writing to the Secretary. The Board of Directors shall have the power to exclude from further membership any member who fails to comply with the reasonable and lawful requirements of the by-laws and may cancel the membership of such member without any liability.

Section 3. Liability - Except for debts lawfully contracted between a member and the Association, no member shall be liable for the debts of the Association.

ARTICLE IV - MEETINGS OF THE MEMBERS

Section 1. Fiscal Year - The fiscal year of the Association shall begin on the first day of January and end on the last day of December in each year.

Section 2. Annual Meeting - The annual meeting shall be held during the first two months of the new year. All meetings will be held at a time and place designated by the Board of Directors.

Section 3. Special Meetings - Special meetings of the membership may be called at any time by the president. The president shall call such a meeting whenever requested by ten (10) percent of the membership of

the Association. No business shall be transacted at special meetings of the members other than that stated in the notice of meeting.

Section 4. Notice of Meetings - Notice of the meetings of members shall be prepared by the secretaries and mailed to each member at his post office address, as it appears on the membership list, not less than fifteen (15) days prior to the date of the meeting. Such notice shall state the place, time, and purposes of the meeting.

Section 5. List of Members - At least fifteen (15) days before each membership meeting a complete list of the members entitled to vote at such meeting shall be prepared by the secretary. Such list shall be available from the secretary at least (15) days before such meeting for examination by any member entitled to vote at such meeting, and shall also be kept available at the time and place of the meeting.

Section 6. Quorum - Two-thirds (2/3) of the members present, provided there are three (3) members of the Executive Committee present at the meetings of the members, shall constitute a quorum for the transaction of business. A majority of such quorum shall decide any questions coming before any such meeting, except for questions amending these By-Laws or as otherwise required by law.

Section 7. Voting Rights - Each member shall be entitled to one vote upon any question presented before any meeting of the membership. Members have the right to vote by proxy.

Section 8. Order of Business - The order of business at membership meetings, unless unanimously otherwise approved by the members present at such meeting, shall be as follows:

1. Call to Order
2. Roll call for quorum
3. Proof of notice of meeting
4. Reading and disposal of minutes
5. Reports of officers, including treasurer
6. Reports of committees
7. Election of directors and officers
8. Unfinished business
9. New business
10. Adjournment

ARTICLE V - DIRECTORS

Section 1. Number of Directors - The business of this Association shall be managed by a Board of Directors of not less than eleven (11) elected members of the association and the chairpersons of standing committees as appointed by the President.

Section 2. Term of Office - The Executive Committee of the Board of Directors shall consist of the President, the Vice-President, one Recording Secretary, two Corresponding Secretaries, and the Treasurer all of whom shall serve for a one year term. No President or Vice-President shall serve more than three (3) consecutive one (1) year terms. The immediate past president of the Association shall serve on the Board for a term of one year. The Board of Directors shall be elected in the following manner:

At the first annual meeting two of the directors shall be elected for two years; and two for three years. At each succeeding annual election the vacancies occurring shall be filled by electing directors for periods of three years. Two of the directors shall be professionals with one being from North Carolina and one being from South Carolina. Two of the directors shall be amateur owners with one being from North Carolina and one being from South Carolina. One (1) Director shall serve as the show affiliate.

Section 3. Removal of Directors - At any meeting of the membership of the Association called for the purpose of removing any director, such director may, by vote of a majority of all members present entitled to vote, be removed from office for cause. The director against whom such action is proposed shall be informed in writing of the charges against him at least thirty (30) days before the date of such meeting, and at such meeting, opportunity shall be given him to present witnesses and be there in person or by counsel to answer thereto and disprove such charges. The members shall elect a director from the membership of the Association to fill the unexpired term of any director removed for cause.

Section 4. Vacancies - Vacancies on the Board of Directors, except in cases of removal for cause as hereinbefore provided, shall be filled for unexpired terms by the remaining members on the Board.

Section 5. Meetings of the Board

1. Regular meetings of the Board shall be held at such time and place as a majority of the directors may from time to time determine.
2. Special meetings of the Board may be held at the call of the president or a majority of the Board. Notice of all meetings shall be given to all of the directors at least six (6) days before the date of such meeting. If all of the directors shall in writing waive notice and fix a time and place of meeting, then no period of time need elapse between the date of call and date of meeting.

Section 6. Quorum - Seven (7) directors are necessary to constitute a quorum for the transaction of business, and a majority of the members of the Board present at any meeting thereof shall decide any question coming before any such meeting.

Section 7. Executive Committee - The Executive Committee shall consist of the officers and the elected directors of this association.

Section 8. Nominating Committee - The Nominating Committee shall consist of three (3) members, one (1) of whom shall be elected by the members of ASAC at the annual meeting, one (1) of whom shall be selected by the Board of Directors at its board meeting immediately following the annual meeting, and one (1) member who shall be appointed by the President as the Chair of the Nominating committee. The members of the Nomination Committee shall serve until the next annual meeting. Any vacancies in the Moninating committee shall be filled by the Board of Directors. The Nominating Committee shall prepare a list of members to be nominated as directors and officers for the next year to fill vacancies caused by expiration of terms of office as herein provided, and mail the list to the membership. It shall be the privilege and duty of each member to further nominate on his or her nominating ballot, if he or she desires, and return it to the person designated by the Nominating Committee within thirty (30) days. The ballot shall be voted on in writing at the annual meeting by the members present. The President shall appoint a committee of members present to count the ballots.

Section 9. Compensation of Directors - Directors as such shall not receive any salary for their services but by resolution of the Board may be reimbursed for any actual necessary expenses incurred by reason of their directorship.

ARTICLE VI - DUTIES OF THE DIRECTORS

PART I

Section 1. Management of the Business - The Board of Directors shall be responsible for the general supervision and control of business and the affairs of the Association and shall make all necessary rules and regulations not inconsistent with law or these By-Laws for the management and guidance of the officers, employees, and agents of the Association.

Section 2. Depositories - The Board of Directors shall have the power to select one or more banks to act as depositories for the funds and to determine the manner of receiving, depositing, and disbursing the funds, the form of checks and to whom authority shall be delegated for signing checks.

Section 3. Surety Bonds and Insurance - The Board of Directors shall require officers, agents, and employees charged by the Association with responsibility for the custody of any of its funds or property to severally give adequate bonds in such amounts and with such sureties as shall meet the approval of the Board of Directors. The costs thereof and premiums shall be paid by the Association. The Board of Directors shall provide for adequate workman's compensation and insurance for all employees and shall provide for adequate public liability insurance.

Section 4. Accounting System - The Board of Directors shall require that an accounting system be installed which shall be adequate to meet the requirements of the Association and it shall be the duty of the Board of Directors to require the keeping of the proper records of all receipts and disbursements, including accrued items of income or expense and liabilities incurred, and contributions received from contributors.

Section 5. Audits - Immediately after the close of the fiscal year, and at such other times as they shall deem it advisable, the Board of Directors may secure the service of a competent and disinterested auditor or accountant to audit the books and records of the Association who shall make a report thereon, or the Board of Directors may appoint an auditing committee in lieu of or in addition to an accountant or auditor as herein provided. The Board of Directors shall cause an annual statement to be prepared and submitted to the members at their annual meeting as a part of the annual report, said annual statement to include at least:

1. A balance sheet showing the assets, liabilities and net worth of the Association as of the close of the fiscal year,
2. A statement of income and expense incurred during the period, and
3. A statement of the membership of record as of the close of the period.

Section 6. Books Open to Members - The Board of Directors shall keep the books of account open to the inspection of any member upon request to the Board.

Section 7. Minutes of Meeting - The Board of Directors shall cause to be kept a complete and detailed record of all its actions and proceedings and of the meetings and proceedings.

Section 8. Vacancies - The Board of Directors shall have power to fill vacancies in any office for the remainder of the term of that officer.

PART II

Section 1. Indemnification by the Association - To the fullest extent permitted by law, and in accordance with the provisions of the North Carolina and South Carolina Nonprofit Corporation Acts and this Article VI, the Association shall indemnify any person against reasonable expenses (as defined herein) incurred by him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative ("Proceeding"), to which he is, or is threatened to be made, a party because he is or was a director or officer of the Association, or is or was serving at the request of the Association as a director or officer 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 VI, Part II, 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 conduct was unlawful (the "Standard of Conduct"), except in relation to matters as to which he has been adjudged in the Proceeding to be liable for negligence or misconduct in the performance of duty to the Association.

Section 2. Expenses Defined - For the Purposes of this Article VI, the term "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 Procedure and attorney's fees and court costs incurred in connection therewith.

(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 in the manner prescribed by Section 4(a) below that the facts then known to those making the determination would not preclude indemnification under Section 1 of Part II of Article VI and the North Carolina and South Carolina 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 is ultimately adjudged liable for negligence or misconduct in the performance of duty to the Association.

(b) The undertaking required by the Person under Section 3(a)(ii) of Part II of Article VI 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 a 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 of Part II of Article VI, 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 directors who are parties to a Proceeding may participate).

Section 5. Purchase of Insurance - The Association may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent 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 and incurred by him in any such capacity or arising out of his status as such, regardless of whether the Association would have had the power or be obligated to indemnify him against such liability under the provisions of this Article VI or the North Carolina and South Carolina Nonprofit Corporation Acts.

Section 6. Scope of Indemnification - The Indemnification for which this Article VI 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 By-Laws or resolution of the Board of Directors and shall inure to the benefit of the heirs and personal representatives of a Person.

ARTICLE VII - DUTIES OF OFFICERS

Section 1. Duties of the President - The Duties of the President shall be:

1. Preside over all meetings of the members and of the Board of Directors.
2. Call special meetings of the membership and of the Board of Directors.
3. Sign all papers and instruments as he may be authorized or directed to sign by the Board of Directors.
4. Appoint chairmen to all committees established by the Board of Directors.
5. Perform all acts and duties usually performed by an executive and presiding officer and as instructed by the Board of Directors.
6. To train the Vice-President (President-Elect).

Section 2. Duties of the President-Elect - The President-Elect shall, in the absence or disability of the President, perform the duties of the President, provided that in the case the vacancy or disability of the President be permanent, then he shall complete the term for which the President was elected, and to assist the President and prepare for the Presidency.

Section 3. Duties of the Recording Secretary - The duties of the Recording Secretary shall be:

1. Keep a complete record of all meetings of the members, of the Board of Directors meetings, and of the Executive Committee meetings in a minute book especially provided for that purpose.
2. Have general charge and supervision of and safely keep records of the Association.
3. Keep the Corporate Seal and affix it to all instruments which require such seal when instructed to do so by the Board of Directors or by the members.

4. Sign all papers and instruments as he may be authorized or directed to do so by the Board of Directors.
5. Make a full report of all matters pertaining to his office to the members at their annual meeting, and shall make such special reports as may be from time to time requested by the President or Board of Directors.
6. Shall make all reports required by law and shall perform such other duties as may be required of him.

Section 4. Duties of the Corresponding Secretaries - The duties of the Corresponding Secretaries shall be to serve all notices required by law and these By-Laws or as directed by the Board of Directors or President.

Section 5. Duties of the Treasurer - The duties of the Treasurer shall be:

1. To be custodian of the funds of the Association.
2. Have custody of all money belonging to the Association, deposit the same in such bank or banks as may be directed by the Board of Directors and keep a full and complete record of all receipts and disbursements.
3. To pay all bills incurred by the Association.
4. He shall make a report of the financial condition to the members at their annual meeting and such other financial reports as shall be required by law and by the Board of Directors.
5. He shall give the names of the paid members to the Corresponding Secretaries.

ARTICLE VIII - AMENDMENTS

These By-Laws may be amended by a two-thirds (2/3) majority vote of the members present at a meeting of the Association regularly called or held, provided that all members are notified of the proposed change at least thirty (30) days prior to the meeting.

Any proposed amendment to these By-Laws must be submitted in writing to the Board of Directors at least thirty (30) days prior to the date of the meeting for ratification.

ARTICLE IX - DISSOLUTION

Upon dissolution of this Association and after payment of all debts, the remaining assets, if any, shall be transferred to a charitable or other non-profit organization for the purposes of promoting the American Saddlebred horse as specified by the Board of Directors.

ARTICLE X - SPORTSMANSHIP AWARD

Selection for the Sportsmanship Awards - Nominations for the Sportsmanship Awards shall be made by the membership. From these nominations the final selection for the Sportsmanship Awards shall be made by the Board.

**ACTIONS CONCERNING THE BY-LAWS OF
AMERICAN SADDLEBRED ASSOCIATION, INC.**

By-laws adopted on or about June 14, 1978.

ARTICLE IV

Section 2. Amended _____, 19__

ARTICLE V

Section 2. Amended _____, 19__

ARTICLE X

Added March 16, 1990.

New By-laws adopted January 27, 1996.

New By-laws repealed August 11, 1996.

ARTICLE III

Section 1. Amended August 11, 1996.

ARTICLE IV

Section 7. Amended August 11, 1996.

ARTICLE V

Section 2. Amended August 11, 1996.

ARTICLE VI

Part II. Added August 11, 1996.

ARTICLE V

Section 1. Amended January _____, 2015

Section 2. Amended January _____, 2015

Section 8. Amended January _____, 2015