

# TWHBEA BYLAWS

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## CORPORATION BY LAWS OF THE TENNESSEE WALKING HORSE BREEDERS' AND EXHIBITORS' ASSOCIATION

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### ARTICLE I TITLE, OBJECTS, LOCATION, CORPORATE SEAL

Section 1. TITLE: This Association shall be known as TENNESSEE WALKING HORSE BREEDERS' AND EXHIBITORS' ASSOCIATION, and shall at all times be operated and conducted as a non-profit association in accordance with the laws of the State of Tennessee, providing for such organizations and by which it shall acquire all such rights as granted to associations of this kind.

Section 2. OBJECTS: The objectives and purposes of this Association shall be to collect, record and preserve the pedigrees of Tennessee Walking Horses and to maintain a registry thereof, which shall include, but not be limited to, the right to maintain a stud registry, to sponsor and/or affiliate shows promoting and/or exhibiting this breed, including competitive events for pleasure classes, to promote the best interest of such shows and of the exhibitors and sponsors who make them possible, to promulgate, issue and enforce rules and regulations governing the exhibiting, judging, sale, registration, and breeding of Tennessee Walking Horses, to license and/or appoint judges, stewards and other appropriate show personnel and to adjust from time to time between management, exhibitor, judges, stewards or any other officials of such shows, to adjudicate questions, to inflict penalties for such violations in accordance with such rules and regulations, to sponsor educational and promotional programs promoting this breed and promoting the competency of officials connected therewith, to protect and promote the welfare of the Tennessee Walking Horse insofar as Association finances will permit, and to stimulate, promote and regulate any and all other matters as may pertain to the history, breeding, exhibiting publicity, sale or improvement of the breed, and to do all things for the betterment of the Tennessee Walking Horse industry.

Section 3. PLACE OF BUSINESS: The principal place of business of the Association shall be Lewisburg, Marshall County, Tennessee, but its members or officers may be residents of any state, territory or country.

Section 4. CORPORATE SEAL: The seal of the Association shall be in charge of the Secretary.

### ARTICLE II MEMBERS

Section 1. Members of the Association will be admitted, retained, suspended, expelled or re-admitted and otherwise regulated in accordance with such rules and regulations as the Board of Directors through its Executive Committee may, from time to time, adopt. In all matters governed by a vote of the members, each member in good standing shall be entitled to one vote.

Section 2. The regular annual meeting of the members shall be held on the first weekend in December in each year at a time and place as designated by the Board of Directors for the purpose of transacting such business as may be brought before the meeting. Members shall not be required to be present to vote but may vote by mail ballot in accordance with the provisions hereof.

Notice of the annual meeting shall be given by written notice stating the time of such meeting to each member's last known address as it appears on the Association's records not less than ninety (90) days prior to the date of such meeting.

Section 3. Special meetings of the members may be held at such time as may be designated in the notice whenever called in writing by direction of the President or by a majority of the Board of Directors, or by notice signed by not less than twenty per cent (20%) of the members then in good standing.

Notice of each special meeting indicating briefly the object or objects thereof shall be given in the same manner as provided with respect to notice of annual meetings.

Section 4. At any meeting of the members held in accordance with the foregoing provisions as to notice, the members attending such meeting, present in person or by mail ballot shall constitute a quorum of the members for all purposes unless the representation of a larger number should be required by law and in that case the representation so required shall constitute a quorum.

Section 5. The President shall act as Chairman of any meeting of the members, but in his absence, at any meeting regularly called pursuant to these Bylaws, any other officer may call the meeting to order and act as Chairman, precedence being given to the order of officers listed herein. The Secretary of the Association shall act as Secretary of all meetings of the members, but in the absence of said Secretary, the Directors may appoint any person to act as Secretary of the meeting.

Section 6. Whenever in these Bylaws the term member or members shall be used, unless otherwise specified, it shall mean a member or members having the right to vote.

Section 7. Youth Members. Persons under the age of 18 years as of January 1 of the membership year may apply for Youth Membership at a reduced rate. Youth members may participate in functions open exclusively to youth members, but are not eligible to vote or receive other benefits of full dues-paying members (*Voice* subscription or free foal registration).

### **ARTICLE III DIRECTORS**

Section 1. The business and property of the Association shall be managed and controlled by the Board of Directors and an Executive Committee hereinafter created and empowered.

Commencing with the election held immediately prior to November 1, 2001, each state having twenty-five (25) members of this Association residing therein shall be entitled to elect one (1) additional Director and each state having more than twenty-five (25) members of this Association residing therein shall be entitled to elect one (1) additional Director for every one hundred seventy-five (175) members of this Association over the initial twenty-five (25). States not having as many as twenty-five (25) members will be grouped together in regions for the purpose of electing Directors, said grouping to be done insofar as practicable, to insure that each geographical section shall be represented in proportion to the number of members of this Association residing in the area. Each region shall be entitled to elect the same number of Directors as if it were a state.

Directors elected in the election held immediately prior to November 1, 1999, shall serve two (2) year terms and Directors elected in the election held immediately prior to November 1, 2000, shall serve one (1) year terms. One-third of the Directors elected in the election held immediately prior to November 1, 2001, shall serve one (1) year terms, one-third shall serve two (2) year terms, and one-third shall serve three (3) year terms. Thereafter all Directors elected shall serve three (3) year terms. Only three (3) year terms shall be considered full terms for the purpose of determining eligibility for successive terms.

The Board of Directors shall, prior to May 1 of each year, group such states as do not have twenty-five (25) members into regions for the purpose of the next election of Directors, and shall otherwise determine the proper number of Directors to be elected.

Said Directors shall be elected not later than the first day of November of each year. Their term of office shall commence at the annual December meeting of the membership to be held as set out in these Bylaws. The method of election, the number of Directors to be elected, the notice to be given for said election and all other matters relating to same shall be fixed by resolution of the Board of Directors, and the same rules and regulations governing the said election shall be effective in each state or region.

Each Director shall be a resident of the state or region from which he is elected.

To qualify for election to the Board of Directors, a person must have been a dues paying member of the Association for at least the past five (5) consecutive years and a director may not be serving a Horse Protection Act suspension for thirty (30) days or longer from the USDA or from any horse industry organization sanctioned by TWHBEA or of which TWHBEA is a part during the director's term or his/her term will be terminated.. Each potential director must have had at least one horse duly registered with the Association for a period of one year, commencing as of August 1 of the preceding year to be elected, and must keep at least one horse continuously registered throughout the duration of the election period and the term. For horses registered in the name of a Corporation, the name of the owner of records on the registration form or on the transfer form will be honored. Partnership horses will not qualify any of their owners for election. To ensure compliance, a monthly audit will be made on all directors, by the TWHBEA. If any director is found to be non-compliant there would be allowed a "grace period" of 60 days to comply. At the expiration of sixty (60) days, and if no other horse was registered to that Director, that director would be removed and replaced with the next alternate from his/her state or region.

No person shall be eligible to be a Director for more than two (2) full consecutive terms, however, a Director may serve more than two (2) nonconsecutive terms.

Subject to the conditions stated above, Directors shall serve for terms of three (3) years.

Section 2. Elections will be handled either by the in-house election procedures or by an independent accounting firm (with no conflicts of interest with, or ties to, the Association).

In-House Election Procedures Plan: A 12-member Election Committee will be appointed by the Executive Committee. Each Executive Committee member will appoint one Election Committee member; however, no more than four members from any given state will serve on the Committee. A TWHBEA member who is a candidate in the election may also serve on the Election Committee; however, that member shall not serve as Chairman of the Committee nor be allowed to count votes from his or her own state. The Executive Committee shall appoint the Chairman of the Election Committee from one of the twelve Election Committee appointees. The Election Committee will then be responsible for supervising, preparing and distributing election ballot packets and will be solely responsible for tabulating election results in accordance with the following procedures:

Step One: The ballot packet will include an explanation of the election procedure with voter instruction included, a list of all eligible members who have expressed to the Executive Director of TWHBEA a willingness to serve on the Board of directors, a ballot card and a postage-paid return envelope which will bear a label with the voter's

membership number only. (Membership numbers, and/or a bar code for computer read-out of membership number, not names, shall be used to verify voter's eligibility. If the membership number and/or bar code is not legible on the returned envelope, the envelope shall remain unopened and the ballot will not be counted.) Voting members will be instructed to seal their completed ballot, unsigned, in the envelopes.

Members willing to serve on the Board of Directors shall notify the Executive Director in writing by August 1<sup>st</sup>. If all eligibility requirements are met, those members' names will be listed in the column in the *Voice* magazine designated for such listings. This name will appear each month of publication between the time of notification through the August issue. There will be no charge to the eligible member for this listing. One notice is sufficient for continued listing in the *Voice* magazine through the August issue of the then current year.

Only those persons who have declared their interest and/or willingness to serve as a director will be printed on the official ballot, and only official ballots will be accepted. Write-in names will be accepted and tabulated, provided all other eligibility requirements are met.

If any state or region does not have a declared candidate, or has fewer declared candidates than there are open positions and no write-in candidates are submitted, then that state or region will be without representation, or will have less than full representation, until the next election period.

Different colored return envelopes may be provided for larger voting states.

Step Two: The return envelope will be addressed to a post office box reserved by TWHBEA solely for election returns. Ballots shall be required to be in the Election Committee post office box by October 15. All returned ballots will be picked up from the post office box on the first day of results' tabulation (and not before that day), by two designated Election Committee members. The unopened ballots will be taken directly to the Election Committee meeting for tabulation. Any ballots found already open at the Election Committee meeting will be considered ineligible for counting.

Step Three: All returned envelopes will be put in numerical order by membership number, and voters' numbers will be cross-checked against the list of eligible voting members. Only one ballot per member will be allowed.

Step Four: All envelopes will be opened face-down, ballots removed and envelopes put aside, in order that no one could later match specific ballots to specific voters. After all envelopes are opened and ballots removed, both envelopes and ballots will be counted as final cross-check. (All return envelopes shall be kept to recount the total vote after ballots are counted.) Members of the Election Committee will then tabulate election results. The general membership will be allowed to observe tabulations of results as long as there is no interference or attempted participation in the tabulation process.

Step Five: After all results have been tabulated, and prior to meeting adjournment, both returned envelopes and ballots will be securely sealed in separate boxes, to be retained for safe keeping by the Election Committee Chairman. In case of a disputed election, the boxes could be opened only upon the approval of the Executive Committee and opened only in the presence of eight or more Election Committee members.

In case of a tie between two candidates, a run-off election shall be held between those two candidates alone.

In case of death, resignation, or residence change from state or region from which elected, term will be terminated and the position shall be filled by the person who was runner-up in the previous election.

In case of the elected Board Member or his runner-up being unable or unwilling to serve, then the vacancy will be filled at the next regular election.

Note: Any deviation from this detailed plan will be considered in violation of the election process, and the election will be considered null and void.

Section 3. The regular meeting of the Board of Directors shall be held immediately following the annual members' meeting and no notice shall be required for such regular annual meeting of the Board. The Board of Directors shall meet at least twice annually, one, following the regular annual meeting on the first weekend in December, and again, on the fourth weekend in May. Provided, however, the second meeting may be at such other time as fixed by resolution of the Board of Directors. The Board, by rule, may provide for other regular meetings at stated times and places.

Section 4. Special meetings of the Board of Directors shall be held whenever called by direction of the President, a majority of the members of the Executive Committee, or by twenty-five percent (25%) of the Directors who would be entitled to vote at said meeting.

The Secretary shall give notice of each special meeting by mailing or telephoning the same to each Director at least fifteen (15) days before the meeting; but any Director may waive his own notice. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

Section 5. One third of the number of Directors shall constitute a quorum for the transaction of business, but if at any meeting of the Board there may be less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum shall be present.

Section 6. At meetings of the Board of Directors, business shall be transacted in such order as the Board may determine.

Section 7. The written contracts of the Association which are duly authorized shall be executed on behalf of the Association jointly by the President and Executive Director or any Vice-President and Executive Director and attested by the Secretary and the corporate seal. By appropriate resolution, the Executive Committee may delegate the execution of contracts relating to routine operations of the affairs of the Association to other person or persons.

Section 8. At the regular December meeting of the Board of Directors, the Board shall proceed to the election of officers of the Association.

Section 9. Any Director who shall fail to attend two (2) consecutive meetings of the Board shall be automatically removed from the Board of Directors except that, upon written request of the Director who has failed to attend two (2) consecutive regular meetings, the Executive Committee may provide a procedure authorizing a waiver of such automatic removal under circumstances sufficient to excuse such absence. The position shall be filled in accordance with this article. Any Director who shall miss more than 50% of the Board Meetings, excused or unexcused, shall not be eligible for re-election.

Section 10. Directors may take any action which they are required or permitted to take without a meeting on written consent in accordance with Tennessee Code Annotated Section 48-1-1402.

Section 11. The Board of Directors shall have the power and authority to make, amend, repeal and enforce such rules and regulations, (not contrary to law, or the corporate charter, or these Bylaws) as they may deem necessary concerning the conduct, management and activities of the Association, the admission, classification, qualification, suspension, expulsion, and/or discipline of members including the right to levy fines, removal of Directors and/or officers, and any other applicable or appropriate subject relating to the purposes of the Association. Any increase in dues and/or fees must have the prior approval of the National Board of Directors.

Said rules and regulations shall be promulgated and published at least thirty (30) days prior to their effective date. Specific authority for the promulgation and approval of said rules and regulations is hereby vested in the Executive Committee which shall act in behalf of the full Board of Directors, subject only to review and/or disapproval on the part of the Board of Directors, however, shall not act to suspend the effect of any rule or regulation promulgated and published by the Executive Committee prior to such review and/or disapproval. Thereafter, the Executive Committee shall have no power to supercede any disapproval by the Board of Directors until a specific grant thereof is given by said Board. Enforcement of said rules and regulations, and any and all matters relating to discipline may be delegated by the Executive Committee to regular or ad hoc committees designated for that purpose, and the procedures for said enforcement set forth in said rules and regulations shall fully determine the rights, privileges, responsibilities and duties of every member or non-member subject to the discipline of this Association.

Section 12. Anyone who has been convicted of a felony may not serve as a director. Should a serving director be convicted of a felony, that person's service will be terminated and the remainder of that term will be filled by the person who was runner-up in the previous election.

Section 13. A director placed on a USDA Horse Protection Act suspension for any time period during their three-year-old director term shall immediately be removed from office and replaced by the alternate from that director's state or the next runner-up from the previous election. If no alternate or runner-up exists, the position shall remain open until the next election.

Section 14. The corporation shall indemnify and advance expenses to each present and future director or officer, or the executor, administrator, or other legal representative of any such director or officer, to the fullest extent allowed by the laws of the State of Tennessee, as now in effect and as hereafter adopted. The corporation may indemnify and advance expenses to any employee or agent of the corporation who is not a director or officer, or his executor, administrator or other legal representative, to the same extent as to a director or officer if the Board of Directors determines that it is in the best interest of the corporation. The corporation shall also have the power to contract with any individual director, officer, employee, or agent for whatever additional indemnification of the Board of Directors shall deem appropriate, as long as it is consistent with public policy. The foregoing right of indemnification and advancement of expenses shall not be exclusive of any other rights to which the director or officer may be entitled as a matter of law, or which may be lawfully granted to him. The indemnification and advancement of expenses hereby granted by the corporation shall be in addition to, and not in restriction or limitation of, any other privilege or powers the corporation may lawfully exercise with respect to indemnification, advancements, or reimbursement of Directors, officers, or employees.

#### **ARTICLE IV OFFICERS**

Section 1. The officers of this Association shall be:

A President, who shall preside over all meetings of the Board of Directors, the Executive Committee, and all membership meetings. A Senior Vice-President, who shall perform the duties of the President in the absence of the President.

A Secretary, who shall record and preserve minutes of all meetings of the membership, Board of Directors, and Executive Committee.

A Treasurer, who shall perform the usual duties of a corporate treasurer.

A Vice President for each Operating Division and two vice presidents at large, each of whom shall preside over all meetings of the Committee managing their Division.

The officers shall perform such duties as may be required by the Bylaws or by the Board of Directors, or by the Executive Committee acting in its stead.

The offices of Secretary and Treasurer may be held by the same person, at the discretion of the Board, and the person holding both offices shall be designated Secretary/Treasurer.

Section 2. All officers shall be elected by the Board of Directors and shall serve for terms of one (1) year and until the election and qualification of his successor. All others, other than Secretary and Treasurer (Secretary/Treasurer if both offices are held by the same person), shall be elected from the membership of the Board of Directors. The Secretary and Treasurer, or the Secretary/Treasurer, may or may not be members of the Board of Directors.

The Board of Directors shall be authorized to fill any vacancies among the officers. Any officer elected to fill a vacancy shall serve the remainder of the term of the officer whose vacancy he was elected to fill.

Any officer shall be removed from his office by the Board of Directors for just cause. "Just cause" shall be defined as violation by the officer of any By-Law, Rule or regulation promulgated thereunder and any state or federal law affecting the Walking Horse breed and/or any show, exhibition, contest or competition, or sale relating thereto.

The regular election for officers shall be conducted by the Board of Directors on the first weekend in December following the membership meeting.

Section 3. The Board of Directors shall, prior to October 1 of each year, appoint a Nominating Committee from the Board consisting of five (5) members. Not more than two (2) of said members shall come from one state or region. Said Nominating Committee shall, prior to November 15 of each year, submit a nominating report nominating each officer and two Vice Presidents at large of the Executive Committee for new terms. Said report shall be submitted to the Board of Directors by mail, and the election shall be held at the first meeting of the new Board of Directors which shall include those Directors who are now serving the first (1<sup>st</sup>) year of the three (3) year term to which they have been elected. In addition to the nominations of the Nominating Committee, other nominations for each position to be filled may be offered from the Board of Directors at large, and the election shall ensue after all nominations have been concluded. All officers and other members of the Executive Committee must receive a majority of the votes cast in order to be elected. The Board of Directors shall, by resolution, establish the procedure to govern said election to accomplish this objective.

## **ARTICLE V EXECUTIVE COMMITTEE**

Section 1. There is hereby created an Executive Committee consisting of the President, the Senior Vice-President, all of the Vice-Presidents for Operating Divisions, and two (2) Vice Presidents at large elected by and from the Board of Directors at a meeting of the Board held after the annual meeting of the membership, each for a term of one (1) year, and until the selection and qualification of his successor. The immediate Past President shall also be a member of the Executive Committee and is entitled to engage in discussions and deliberations but only to vote in case of a tie. Not more than five (5) of said members shall come from one state or region, excluding the immediate Past President and the Secretary/Treasurer.

Section 2. The Executive Committee shall meet monthly whenever and wherever called by direction of the President or the majority of the Committee acting jointly of which meeting the Secretary shall give ten (10) days written notice, but such notice may be waived by any member as to himself, unless a majority of the Executive Committee deems a monthly meeting to be unnecessary.

Section 3. The Committee may act, without convening in meeting, by written resolution signed by all of the members thereof and duly entered in the Association's records. At all meetings of the Committee, a majority thereof shall constitute a quorum.

Section 4. All powers of the Board of Directors are hereby vested in the Executive Committee subject only to review and/or disapproval by said Board of Directors, however, such review and/or disapproval shall not operate to suspend any action by the Executive Committee or any other committee delegated such responsibility by the Executive Committee. The same limitations and restrictions which appear in Article III, Section II are applicable to this section. Any increase in dues and/or fees must have the prior approval of the National Board of Directors.

## **ARTICLE VI OPERATING DIVISION**

The activities of this Association will be divided among functional divisions, each overseen by a Vice-President and managed by a committee to be appointed by the Board of Directors or by the Executive Committee acting in its stead. Each committee shall have among its members at least two (2) Directors, including the Vice-President, and other members shall be members of this Association. The general responsibilities of these divisions will be determined by the Board of Directors. A majority of the members of said committee shall constitute a quorum for the purpose of the conduct of business.

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## **ARTICLE VII OTHER COMMITTEES**

Other committees, permanent, temporary, regular or special, may be created by the Board of Directors, or the Executive Committee, and such committees shall have such powers and responsibilities as may be delegated to them by said Board of Directors or Executive Committee.

## **ARTICLE VIII EXECUTIVE DIRECTOR & TREASURER**

Section 1. EXECUTIVE DIRECTOR: In addition to other duties, functions and responsibilities set forth herein for the Executive Committee, it shall have the right to appoint an Executive Director of the Association, for a term not to exceed one (1) year, with a provision for termination of said appointment for cause, which appointment may be renewed by the Executive Committee for successive one (1) year terms. Other provisions of said appointment, such as salary, shall be on such terms as the Executive Committee, at its discretion, may determine. At the first meeting after adoption of these Bylaws, the Executive Committee shall determine the duties, responsibilities and functions of the Executive Director, who shall maintain his office at the headquarters of the Association, and any contract of employment with said Executive Director shall include these provisions so declared by the Executive Committee. Said provisions may be prospectively amended from time to time. No contract with the Executive Director, the terms of which shall exceed one (1) year, shall be executed without prior approval of the Board of Directors.

Further, the same requirements which relate to the Executive Director shall apply to the employment of other executive and administrative personnel.

Section 2. TREASURER: The Treasurer shall be responsible for all money turned over to him from any source. He shall disburse same only upon itemized demands and upon order by the Executive Committee, or by the Executive Director acting in its stead. The Executive Committee by appropriate resolution shall be empowered and authorized to grant to the Treasurer the specific right to expend funds for the routine operation of the affairs of the Association, under such terms and provisions, and limitations as provided therein. He shall account for same by itemized statements in detail to each annual meeting of the members, to the Board of Directors, and to the Executive Committee at each regular meeting or at any special meeting when so demanded. Also, he shall cause to be submitted to the Executive Committee at the first meeting following the annual meeting of the members, a detailed budget of the proposed and anticipated expenditures for the forthcoming fiscal year of the Association. Upon approval of the said budget or its modification, it cannot be exceeded in the total amount set forth by more than five percent (5%) with a majority vote of the Executive Committee.

Section 3. SURETY BONDS: The Executive Director and the Treasurer and all other officers or employees of the Association shall give a surety bond at such limits required by the Board of Directors to be furnished at the expense of the Association for the faithful discharge of his or her duties.

Section 4. AUDITING OF ACCOUNTS: This Association shall conduct its affairs on the fiscal year basis, same to begin December 1 through November 30, inclusive.

An annual commercial auditing of the accounts of the Executive Director and the Treasurer on such terms as directed by the Board of Directors shall be made by a certified public accountant at the close of each fiscal year and shall be reported to the Executive Committee and to the May meeting of the Board of Directors following the close of each fiscal year. Such accountant shall be a disinterested person and not a member of the Association.

Section 5. The assets of said Association shall not be expended or used as security by the Executive Committee in excess of \$100,000 with the Board of Directors' approval. This limitation does not apply if the expenditure is included in the annual budget. For needs above this, the National Board is to be called into session or ballots sent to the National Board for approval or disapproval of proposals to expend above the \$100,000 total.

## **ARTICLE IX MEMBERS' AND NON-MEMBERS' OBLIGATIONS**

Any person who applies for membership in the Association and any non-member who applies for any other privilege, by so applying agrees and binds himself to abide by the Charter, Bylaws, and all other lawful rules and regulations of the Association, so far as they are applicable to him.

## **ARTICLE X DISCIPLINE**

Any member of this Association and any non-member who exercises any of the privileges thereof or engages in any of the activities encompassed thereby, including but not limited to the buying, selling, breeding, registration, exhibiting, or other activities relating to the Tennessee Walking Horse, may be disciplined for violation of any rule or regulation promulgated and published under the authority of these Bylaws. Discipline shall be administered in accordance with said rules and regulations and penalties shall be as specified therein. Subject to review by the Board as to said rules and regulations, general responsibility for discipline is delegated to the Executive Committee and to such other committees and/or divisions as may be designated by the Executive Committee.

## **ARTICLE XI AMENDMENTS**

Bylaws may be adopted, amended, or repealed by the members, by a majority of those voting on the question at any annual or special meeting, including those voting in person and those voting by mail ballot.

In order for an amendment to be considered, it is mandatory that it be submitted to the Bylaws Committee in writing prior to April 1. The Bylaws Committee shall, after due consideration forward said amendment to the Executive committee prior to the April meeting of the Executive Committee for final consideration and approval. All amendments approved by the Executive Committee shall be published in the July issue of the *Voice* magazine and, thereafter, the Secretary shall simultaneously with the election of directors, mail the proposed amendment to the members along with a ballot.

## **ARTICE XII PERSONS**

Any use of the pronoun "he" in the Bylaws, Corporate Rules or any other official document or action of the Association shall be considered a reference to a person, male or female.