

Bylaws of

The North Central Morgan Association, Incorporated

These bylaws, effective for all purposes as of January 19, 2008 shall supersede all other bylaws.

ARTICLE I – NAME

The name of this Corporation is the North Central Morgan Association, Incorporated (the “Corporation”), a Minnesota nonprofit corporation.

ARTICLE II – PURPOSE

The purpose of the Corporation is to promote the Morgan horse and to sponsor and promote private, public and social activities fostering good horsemanship, pride in ownership and enjoyment of Morgan horses.

ARTICLE III – MEMBERSHIP

Membership in this Corporation shall be made up of individuals and family groups. Any individual or family who owns a Morgan horse or has interest in the Morgan horse is eligible to become a member. There will be 3 membership options available; family group, individual, youth. A family group membership shall consist of not more than two generations and shall be comprised of a parent and/or parents and all of their children who have not attained the age of 21 years. An individual membership shall consist of a person 21 years and over. A youth membership shall consist of a person 21 years or under. Membership dues are payable on January 1 of each year. Application for new membership shall be made in writing to the membership chairperson, who will add the membership to the membership roll. Memberships shall terminate the last day of December each year and if a member does not renew his or her membership by payment of the subsequent year’s annual dues within 60 days thereafter, such member shall be removed from the rolls. Members shall be entitled to vote in all corporate elections. A family membership is entitled to one vote and individual membership to one vote. Youth membership, 21 years and under is a non-voting membership. Youth members (21 years and under) may upgrade their membership to individual status by paying the individual member fee thus entitling them to vote in corporate elections. The Board shall annually review fees, and only if deemed necessary and appropriate, will an increase be made.

ARTICLE IV – MEETINGS

Sec. 1. The annual membership meeting shall be held at a location approved by the Board of Directors. An annual Board of Directors meeting may be held prior to the annual membership meeting if deemed necessary. Participation in the annual membership meeting may be in person, or at the Boards discretion, via remote communication if a system is available and the facility can accommodate this.

Sec 2. Notice of the annual membership meeting shall be sent in writing to all members of the Corporation 30 days prior to the date of the meeting. Any member of the Corporation wishing to place an item on the agenda for discussion at the annual meeting may do so by submitting a request to the President two weeks prior to the meeting date.

Sec 3. Special meetings of the membership may be called by the President, or shall be called by the President as directed by a resolution adopted by the Board of Directors, or upon a written request signed by at least ten percent (10%) of the members. The notice of any special meeting shall state the time, the place, and the purpose of such meeting. No business shall be transacted at the special meeting except as stipulated in the notice.

Sec 4. The order of conduct of business for meetings shall be:

- A. Report from the President Emeritus
- B. Report from the President
- C. Report from the Vice President
- D. Report from the Secretary
- E. Report from the Treasurer
- F. Report from the Directors at Large
- G. Report from the District Representatives
- H. Reports from the Committee Chairs
- I. Unfinished Business
- J. New Business
- K. Installation of Officers (annual meeting only)

Sec. 5. All notices of meetings shall include the date, hour, location and in the case of special meetings, the agenda.

Sec. 6. Due to time constraints at the annual meeting, no person shall talk on or about any given item of business or resolution for more than 5 minutes unless this limitation is waived by a resolution of the membership. This resolution may be waived by a simple majority vote of the members present.

ARTICLE V – EXECUTIVE BOARD OFFICERS

Sec. 1. The officers of the Corporation shall be the President, President Emeritus, Vice President, Secretary and Treasurer. These five officers shall constitute the Executive Board and have voting authority. Executive Board officers must be members in good standing of the North Central Morgan Association and the American Morgan Horse Association.

Sec. 2. The election of the officers shall be by ballot of the membership and results announced at the annual membership meeting. The Vice President shall be elected annually and serve as President the following year and as President Emeritus the year after. The Secretary and Treasurer shall be elected annually. A majority vote constitutes the outcome.

Sec. 3. Meetings of the Executive Board may be called from time to time for extenuating circumstances by the President or by request of a majority of the Executive Board. Members of the Executive Board shall be notified personally, by mail, via email, by telephone or fax of such meeting at least 24 hours before the time of the meeting.

Sec. 4. At any annual or duly called special meeting of the membership, any one or more of the Directors may be removed without cause by a vote of the majority of the entire voting delegates of record. A successive Director may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed shall be given at least thirty (30) days notice of the intent to take such action and an opportunity to be heard at this meeting.

ARTICLE VI – DUTIES OF OFFICERS

Sec 1. The President shall be the principal officer of the Corporation. Subject to the direction and control of the Board of Directors, the President shall see that the resolutions and directives of the Board of Directors are carried into effect. The President shall preside at all meetings of the Board of Directors, the Executive Committee, and at all meetings of the membership, except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Corporation. The President may execute for the corporation all contracts, deeds, conveyances, mortgages, bonds and other instruments in writing that may be required or authorized by the Board of Directors. The President shall appoint the Chair of all committees.

Sec. 2. The Vice President shall, in the absence or inability of the President, perform all duties of the President.

Sec. 3. The President Emeritus shall represent the Corporation as liaison to national and regional Morgan associations, oversee any Corporate charity programs and promote the mission of the Corporation.

Sec. 4. The Secretary shall conduct general correspondence of the Corporation, shall send all notices of meetings of the Corporation, including issues presented to the general membership and the result of the vote thereon, upon the books and records of the Corporation and shall keep accurate minutes of the meetings of the Corporation.

Sec. 5. The Treasurer shall receive and keep records of all monies, debts, obligations, etc of the Corporation and shall have the authority to make account deposits, sign checks and make approved disbursements for the purpose of meeting financial obligations of the Corporation. He/she shall render monthly financial reports at each meeting of the Corporation, present a complete financial report at each annual meeting, advise on corporation fund investments, forward financial reports to the Corporate tax preparer and arrange for a yearly audit of the Corporate accounts.

Sec. 6. The Executive Board shall oversee the management of the current and ordinary business of the Corporation. It shall devise ways and means to achieve the objectives of the Corporation. The Executive Board shall approve expenditures for non-budgeted expenses of up to \$500 to be dispensed by the Treasurer.

ARTICLE VII – DIRECTORS AT LARGE

Sec. 1. There shall be six (6) Directors at Large, elected for two-year terms by the membership. Directors at Large 1, 3, and 5 will be elected in odd number years. Directors at Large 2, 4, and 6 will be elected in even number years. Directors at Large must be members in good standing of the North Central Morgan Association.

ARTICLE VIII – DUTIES OF DIRECTORS AT LARGE

Sec. 1. The six (6) Directors at Large shall attend monthly meetings, be a committee Chair/Co-Chair or serve on a committee and gather and submit reports from the District Representatives. The Director at Large positions shall be a member of the Board of Directors and have voting authority.

ARTICLE IX – BOARD OF DIRECTORS

Sec. 1. The Board of Directors shall consist of the five (5) members of the Executive Board (President, President Emeritus, Vice President, Secretary and Treasurer) and six (6) Directors At Large. Members of the Board of Directors have voting authority.

Sec. 2. A quorum of the Board of Directors shall consist of four (4) members of the Executive Board present and three (3) Directors at Large present. Present shall be defined as either in person or via conference call so that all members of the Board of Directors may participate with each other during the meeting.

Sec. 3. Each member of the Board of Directors shall be entitled to vote at all regular meetings or any special meetings.

Sec. 4. Regular meetings of the Board of Directors shall be held on the second Tuesday of each month, except in the months of January, July and October.

Sec. 5. Special meetings of the Board of Directors may be called by the President with at least five (5) working days notice to each Board of Director. This notice shall be given personally, by mail, email, telephone or fax. The notice shall state the place, time and purpose of the meeting. The Secretary in like manner and in like notice shall call a special meeting upon the written request of at least three (3) members of the Board of Directors.

Sec 6. The Board of Directors may determine that a meeting of the Board of Directors shall be held solely by means of remote communication through which all members of the Board of Directors may participate in the meeting, if the same notice is given of the meeting required by Sec. 5 and if the number of Board of Directors participating in the meeting is sufficient to constitute a quorum at a meeting. Participation in a meeting by that means constitutes presence at the meeting.

Sec. 7. Any member of the Board of Directors, in addition to the powers conferred on him or her by these bylaws will have such additional powers and perform additional duties as may be prescribed from time to time by the Board of Directors.

Sec 8. A member of the Board of Directors may be removed from office after three (3) unexcused absences and are encouraged to call the President if they are unable to attend a meeting. Absences shall be noted in meeting minutes. Upon the unreported absence at two (2) meetings, the Director shall be sent a written notice of the date and location in which the Directors will discuss and vote on the removal from position. The Director may present information on his/her behalf at this meeting. A member of the Corporation may petition to remove a Director from position. Such petitions shall be recorded in the minutes for two (2) consecutive meetings. Information may be presented to the Board by sending comments to any member of the Executive Committee or in person. The Director shall be sent written notice of the date and location in which the Directors will discuss and vote on the removal from position and present information on his/her behalf at this meeting. The matter of removal may be acted upon at any meeting of the Board of Directors, provided that notice of intention to consider said removal has been given to each member of the Board of Directors and to the office affected at least thirty (30) days previously. A majority vote of the entire Board of Directors constitutes the outcome. A Director may be reinstated at the discretion of the Board of Directors.

ARTICLE X – VACANCIES IN ELECTED OFFICES

Sec. 1. When a vacancy occurs in any elected office prior to the normal expiration date at the annual meeting from any cause whatsoever, it shall be filled by the Executive Board by majority vote. Such appointments shall continue to the next annual election.

ARTICLE XI – DISTRICT REPRESENTATIVES

Sec. 1. There shall be seven (7) District Representatives. The District Representatives shall generally represent the membership in the area in which they reside and act as a communication link between the membership, the Directors at Large and the Executive Board. They shall be appointed by the Executive Board and serve one year or until they leave the area or request to be relieved of his/her duties. The District Representative appointment is not a position on the Board of Directors.

1. North Dakota
2. South Dakota
3. The North Central District, being a district bounded on the West by Highway 59 and on the East by the Wisconsin border, and on the South by Highway 12 and Districts No. 6 and No. 7 as described hereinafter.
4. The South Central District, being a district bounded on the West by Highway 59 and on the East by the Wisconsin border, and on the North by Highway 12 and Districts No. 6 and No. 7 as described hereinafter. Included also, Iowa.
5. Wisconsin
6. Twin Cities – West District, being a district bounded on the East by Interstate 35 running South out of downtown Minneapolis and Highway 65 running North out of downtown Minneapolis, on the West by Highway 25 and on the North by Highway 95 and on the South of Highway 19.
7. Twin Cities – East District, being a district bounded on the West by Interstate 35 running South out of downtown Minneapolis and Highway 65 running North of downtown Minneapolis, on the East by the Wisconsin border, on the North of Highway 65 and on the South of Highway 19.

ARTICLE XII– INDEMNIFICATION AND PERSONAL LIABILITY OF OFFICERS AND BOARD OF DIRECTORS

Sec. 1. The Corporation shall indemnify and hold harmless any Officer, Board of Director or employee from any suit, damage, claim, judgment or liability arising out of, or asserted to arise out of conduct of such person in his or her capacity as an Officer, Board of Director or employee except in cases involving willful misconduct. Indemnification provided under this section shall comply with and follow the requirements as provided by statute.

ARTICLE XIII– COMMITTEES

Sec. 1. The President may appoint from time to time ad hoc committees and a Committee Chairperson to promote special events, activities and programs. Each such committee shall have such duties and responsibilities as are granted to it from the Board of Directors.

Sec. 2. All committees shall make full reports of their activities at monthly meetings of the Board of Directors and at the annual membership meeting. These committees may include but are not restricted to: Newsletter, Website, Horse Show, Futurity, Breeders, High Point, Membership, Publicity, Youth, Sunshine, Clinic, Audit, Nomination, Mediation.

Sec. 3. The Executive Board shall elect from the Board of Directors three members to serve on a Mediation Committee for the purpose of resolution of disputes arising between members, Officers, Directors, District Representatives, committee members or any other person acting on behalf of the Corporation.

Sec. 4. Nomination Committee

- A. The Executive Board shall elect from the Board of Directors two (2) members of the Board to serve as a nomination committee.
- B. The nomination committee shall assist the Executive Board in the selection of a slate of officers, receive the ballots, tally the ballots and report to the President the result of the vote for announcement at the annual meeting.
- C. The nomination committee shall send to the membership, with the notice of the annual meeting, the slate of officers, at least thirty (30) days prior to the meeting.
- D. The selection of the slate of officers shall not preclude write in nominations of additional candidates on the ballot.

ARTICLE XIV – FISCAL MANAGEMENT

Sec. 1. The fiscal year of the Corporation shall begin on the first day of January each year.

Sec. 2. Books and accounts of the Corporation shall be kept under the direction of the Treasurer of the Corporation.

Sec. 3. The Board of Directors may authorize any Officer or Officer's agent to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances, such as horse show chairpersons. These authorizations are in addition to those authorized by these bylaws.

Sec. 4. No loans shall be contracted on behalf of the Corporation nor shall evidences of indebtedness be issued in its name unless authorized by resolution of the Board of Directors.

Sec. 5. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such bank or banks or other depositories as the Board of Directors may elect.

Sec. 6. All checks, drafts and other orders for payment of funds will be signed by such Officers or other persons as the Board of Directors shall designate in its approved financial policies.

Sec. 7. Every Director and member of the Corporation shall, with a proper purpose, have a right to examine, in person or by agent or attorney, at any reasonable time or times, and at the place or places where usually kept, all books and records of the Corporation and make extracts of copies there from.

ARTICLE XV – CONFLICT OF INTEREST POLICY

Sec. 1. The purpose of the conflict of interest policy is to protect this tax-exempt organizations interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

a. Definitions. An interested person, for purposes of this conflict of interest policy is any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below:

- 1) A person has a financial interest if the person has, directly or indirectly, through business, investment or family:
 - a. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement.
 - b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement.

- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct or indirect remuneration as well as gifts or favors that are not insubstantial.

The fact that one of the interests described above has occurred does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances that a conflict exists precludes Board action. As provided in Article XV, section 1, subsection (b), part (2), the Board shall determine whether a conflict exists.

- b) The Board shall not enter into any contract or transaction with (a) one or more of its Directors, (b) a director of a related organization or (c) an organization in which a director of the Corporation is a director, officer or legal representative, or in some other way has a material financial interest unless:

- 1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

- 2. Determining Whether a Conflict of Interest Exists.

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

- 3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

- 4. Violations of the Conflicts of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the members response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

The interested Director may be present for discussion to answer questions, but may not advocate for the action to be taken, cannot be included to establish a quorum for the meeting and must leave the room while a vote is taken. The minutes of all actions taken in such matters shall clearly reflect that these requirements have been met.

- c) Compensation. This subsection shall govern when compensation from this Corporation is being determined.

- 1) A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

- 2) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters of pertaining to that members compensation.
- 3) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensations, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE XVI – AMENDMENTS

Sec. 1. Any of the bylaws may be amended, repealed or changed by a vote of the majority of the members via a ballot by mail (Article XVII) or presented in person at any annual meeting or special meeting of the Corporation. The proposed amendment, repeal or change must be clearly stated. The majority vote constitutes the outcome.

ARTICLE XVII – BALLOT BY MAIL

The Corporation shall have the right to take a ballot of its members on any corporate business by mail, provided that the ballots are mailed to the membership as a whole immediately following the resolution of the Board of Directors directing a submission of such matters to the membership. The ballot shall list each proposed action, with an opportunity to vote for or against each proposed action. Additionally the ballot shall indicate the number or responses needed to reach a quorum, the percentage of approvals necessary to approve each matter, and the time by which a ballot must be received in order to be counted. The majority vote of returned ballots duly marked within 30 days of the date the ballots were mailed to the membership will constitute the outcome. Ballots may not be revoked.