

BYLAWS
ROCKY MOUNTAIN QUARTER HORSE ASSOCIATION

Bylaws amended and approved through December, 2016
(This printing updates the 2013 printed booklet edition)

FOREWORD

The Rocky Mountain Quarter Horse Association is composed of members who are interested in every phase of the industry. Through its direct affiliation with the American Quarter Horse Association, and by working in conjunction with such organizations as the American Horse Council and the Colorado Horse Council, the Rocky Mountain Quarter Horse Association is continually striving to help the horseman.

The Rocky Mountain Quarter Horse Association has the distinction of being one of the oldest active regional affiliations of the AQHA, celebrating 70 years of the organization in 2016. Many of the same individuals who actually organized AQHA were also instrumental in founding this organization. With this rich heritage and in the same tradition of foresight and determination that made the Quarter Horse registry the largest in the world, the Rocky Mountain Quarter Horse Association offers a broad-based program of activities that encompasses the entire Quarter Horse industry. Whatever area of interest you might have or wish to participate in, you will find and be able to play an active part in the RMQHA.

The Rocky Mountain Quarter Horse Association abides by all American Quarter Horse Association Rules and Regulations as published and stated in the AQHA Handbook.

The Rocky Mountain Quarter Horse Association has a representation of directors on the AQHA Board from the State of Colorado.

THE BYLAWS

ARTICLE I

PURPOSE

The purpose of the Rocky Mountain Quarter Horse Association shall be to promote the breeding, raising, and ownership of American Quarter Horses through quality horse show events, racing opportunities, ranching and recreational activities, and educational programs.

ARTICLE II

OFFICES

SECTION 1. Principle Office. The principle office of the Rocky Mountain Quarter Horse Association shall be 22 S. 4th Avenue, Brighton, CO 80601. If it becomes necessary to move the location of the office of the Rocky Mountain Quarter Horse Association, the Executive Committee, with the approval of the full Board of Directors by majority vote, shall determine the location within a 30-mile radius of the Colorado State Capitol Building, 200 E Colfax Avenue, Denver, in the state of Colorado.

SECTION 2. Registered Office. The Association shall have and continuously maintain a registered office and a registered agent whose office is identical with such registered office as required by the Colorado Non-Profit Corporation Act.

ARTICLE III

MEMBERSHIP

SECTION 1. Eligibility. Any person, family, corporation, partnership or ranch shall be eligible for membership in this association and shall be entitled to one (1) vote for said membership.

SECTION 2. Annual Dues. Dues of members shall be determined by a majority vote of all the Board of Directors. Included in a regular annual membership shall be a subscription to the Association's monthly magazine.

SECTION 3. Term of Membership and Dues. The Association shall have a membership year that coincides with the calendar year. Membership shall commence on the date of membership dues paid and shall continue until the last day of the membership year.

SECTION 4. Lifetime Membership. An individual aged 19 and older may purchase a lifetime membership in the Association for an amount to be determined by the Board of Directors. Life members may purchase an annual magazine subscription, which is not included in the life membership.

SECTION 5. Voting Rights. Each membership shall be entitled to one (1) vote on each matter submitted to a vote of the membership.

SECTION 6. Transfer of Membership. Membership in this Association is not transferable or assignable.

SECTION 7. Termination of Membership. The Board of Directors at any duly called meeting by affirmative vote of two-thirds vote of all members of the Board of Directors may suspend or expel any member for cause, after an appropriate hearing; provided, however, that any member sought to be expelled shall have 14 days notice of said hearing and shall have the right to appear at the time of said meeting.

DEFINITION OF MEMBERSHIP PERTAINING TO ARTICLE III, ABOVE

SECTION 1. Full Individual Membership. Restricted to one person or corporate entity, the privileges of which are the full privilege to participate in RMQHA approved events and to accumulate points for year-end awards. Subject to the terms of Section 3 below, when horses are shown or raced under two or more names or under the name of a partnership, each person included in the name or partnership must be a member.

SECTION 2. Youth Membership showing in Open Division. Any boy or girl, who is qualified for youth membership pursuant to Article II of the constitution and Bylaws of the Rocky Mountain Quarter Horse Youth Association, may show any horse owned by him or her in

RMQHA approved shows to accumulate points for year-end open awards by purchasing a full individual membership. In such case, no additional fee will be charged for “youth only” membership. A youth member may show a horse owned by someone other than the youth in RMQHA approved shows to accumulate points for year-end open awards, but only if the youth and the individual or corporate owner(s) each have full individual memberships.

SECTION 3. “Family” exception for Amateurs and Youth. Notwithstanding any provisions to the contrary, when a horse is shown by an amateur or youth, an additional full individual membership for the owner does not need to be purchased for the horse to accumulate points for year-end youth and amateur awards if the horse is owned by a family member of the youth or amateur. A family member is defined as a spouse, child, stepchild, legal ward, father, mother, stepparent, sister, brother, grandparent, grandchild or legal guardian.

SECTION 4. Family, corporation, partnership and ranch members. This is a membership in the name of a family, a corporation, a partnership or a ranch who desires to be involved in the Rocky Mountain Quarter Horse Association but not necessarily participate in a “show/racing” category which requires an individual membership. This type of membership is entitled to one vote by a designated representative, so designated upon the original membership application. All other benefits of membership will be afforded to this membership.

ARTICLE IV

MEETING OF MEMBERS

SECTION 1. Annual Meeting. The regular meeting of the members shall be held at such time and place as may be fixed by resolution of the Board of Directors for the purpose of electing directors and for the transaction of such other business as lawfully may be before the meeting. The agenda shall consist of *three* sections.

One section shall be devoted to issues relating to show horses; one section shall be devoted to issues relating to racing horses; and one section shall be a meeting with items of general interest to the entire membership. The Board of Directors shall fix the order of the agenda.

SECTION 2. Special Meetings Special meetings of the members may be called by the President, Vice President, or by the Board of Directors or upon demand, in writing, by at least ten (10) percent of the general membership. The Board of Directors shall designate the time and place of any special meeting, but if no designation is made the place of meetings shall be the offices of the Association and the time shall be no later than sixty (60) days following the demand for meeting.

SECTION 3. Notice of Meetings. Written notice stating the place, day and hours of any meeting of members shall be delivered, either personally, by mail, or by email, to each member entitled to vote at such meeting, not less than ten (10) nor more than fifty (50) days before the date of such meeting, by or at the direction of the President, or the Secretary, or the officers or persons calling the meeting. In the case of a special meeting or when required by statute or by these bylaws, the purpose or purposes for which the meeting is called shall be specifically described in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the corporation, with postage thereon prepaid. Notice of any meeting may be given to members by publication in the official publication of the association.

SECTION 4. Quorum. At all meetings of the membership those members present shall constitute a quorum.

SECTION 5. Voting. Each dues paying member who is present shall be entitled to cast one (1) vote. Proxy voting shall not be allowed.

ARTICLE V

MEETING OF BOARD OF DIRECTORS

SECTION 1. Regular Meetings. The regular annual meeting of the Board of Directors shall be held prior to the regular annual meeting of the membership, and no notice thereof shall be given to the members of the Board of Directors. In order for an item to carry, a majority vote separately of the race directors and the show directors is required.

SECTION 2. Other Meetings. Meetings of the Board of Directors shall be called at such time and at such place as the Board of Directors or the President of the Association shall determine and written notice thereof shall be given consisting of the race directors and one consisting of the show and performance directors. Meetings of the race directors or show directors may be called at such time and at such place as the Vice President of the particular division may determine and written notice thereof shall be given to the particular group of directors. Matters pertaining to the respective interest of the two groups may be decided by the directors of that particular group acting alone. Matters pertaining to the organization as a whole may be determined by the two groups meeting separately if said meetings are not more than thirty (30) days apart and all Board members present at the two meetings agree to consider the matter in question. In order for an item to carry when utilizing this bifurcated structure a majority vote of the Board members in each of the two meetings is required. The race directors and show and performance directors shall meet separately or together at least **three (3)** times each calendar year, excluding the annual meeting. One of the **three** meetings may be canceled when, at the discretion of the appropriate Vice President, there are insufficient agenda items to warrant a meeting.

SECTION 3. Quorum. At all meetings of the Board of Directors, fifty-one percent (51%) thereof shall constitute a quorum. In the event bifurcated meetings are held, fifty-one percent (51%) of the respective groups shall constitute a quorum. Any one or more directors may participate in a meeting of the Board of Directors by means of a conference telephone or similar telecommunications device which allows all persons participating in the meeting to hear each other. Participation by telephone shall be equivalent to presence in person at the meeting for purposes of determining if a quorum is present. The Executive Committee may establish policy and/or rules with respect to the number of such participation at any given meeting or other requirements of such participation.

SECTION 4. Proxy Voting. Proxy voting shall not be allowed.

SECTION 5. Minutes. Minutes of all meetings of the Board of Directors shall be published in the official publication of the Association. Said minutes shall include the names of the Directors present.

SECTION 6. Absentee Voting. A member in good standing is entitled to one vote. Absentee voting **must** be allowed for the annual meeting. A member in good standing shall be allowed to

participate in the election of AQHA Directors, RMQHA Board members and bylaw changes at the Annual Meeting by absentee ballot. A mail-in or email ballot shall be provided for those members unable to attend the Annual Meeting. The ballot shall be **received in** the office of the Association no later than **two (2)** days prior to the election.

ARTICLE VI

OFFICERS

SECTION 1. Officers. The officers of the Association must be members of the Association and shall be as follows: President, two Vice Presidents, Secretary and Treasurer. The President shall be selected by the Board of Directors as the first item of business at the annual meeting of the Board. The two Vice Presidents shall be the Vice President of the Working and Show Board of Directors and the Vice President of the Race Board of Directors and shall be elected by the respective Boards at the Annual meeting. The Secretary and Treasurer shall be elected by the Board of Directors. All officers shall serve for a period of one (1) year or until their successors are elected. No member shall be elected President unless he has served at least two years on the Board of Directors and no member may serve as President for a period longer than two one-year terms. No member shall be elected as Vice President until he has served at least two years on his or her respective Board of Directors.

SECTION 2. Vacancy. In case a vacancy shall occur in any of the said offices, the Board of Directors of the Committee that had the obligation to select said officer shall select a person to fill said vacancy by a majority vote.

SECTION 3. Removal. Any officer may be removed by the Board of Directors by a two-thirds vote thereof whenever in the judgment of the Board the best interests of the Association would be served thereby.

ARTICLE VII

DUTY OF OFFICERS

SECTION 1. President. The President shall preside at all meetings of the Association and shall perform such other duties as shall be necessary for the proper administration of the affairs of the Association, except such duties as are specifically delegated herein to other officers. ***It shall be the responsibility of the President to supervise and conduct all activities and operations of the Association, subject to the control, advice and consent of the Board of Directors. The President shall keep the activities of the Association, and shall see that all orders and/or resolutions of the Board are carried out to the effect intended.***

SECTION 2. Vice Presidents. The Vice Presidents shall serve as assistants to the President in the administration of the affairs of the Association and shall perform such specific duties as may be assigned to them by the President or the Board of Directors. In the absence of the President from a meeting of the Association, a Vice President shall preside at such meeting. The Vice Presidents shall be unofficial members of all committees.

SECTION 3. Secretary. The Secretary shall, under the direction of the Board of Directors, ***oversee the keeping of all records of the business transactions of the Association including sending notices of meetings to members, committees and directors of the Association and***

maintaining a complete membership roster. The above mentioned duties shall be in collaboration with the Executive Director or the person(s) charged with the day-to-day administrative duties of the office. The Secretary shall perform all duties as ordinarily pertain to the office of Secretary or may be prescribed by the Board of Directors.

SECTION 4. Treasurer. The Treasurer shall have the *oversight* of the funds of the Association and shall *report* to the Association at its annual meeting and at such other times as may be prescribed by the Board of Directors. *It shall be the responsibility of the Treasurer to keep and maintain, or cause to be maintained, adequate and accurate accounts of all properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, and other matters customarily included in financial statements. The Treasurer, in conjunction with the Budget and Finance Committee, shall oversee the preparation of Annual Financial Statements and tax returns by an Independent Accounting Firm.* He or she shall perform all duties such as ordinarily pertain to the office of Treasurer or as may be prescribed by the Board of Directors.

ARTICLE VIII

BOARD OF DIRECTORS

SECTION 1. Administration. Administration of the affairs of the Association shall be vested in a Board of Directors.

SECTION 2. Composition of Board. The Board of Directors shall consist of 24 members, as the membership at its regular annual meeting shall direct and elect; said Board of Directors shall consist of 12 directors whose interests are primarily the working and show horse industry and 12 directors whose interests are primarily the race horse industry.

SECTION 3. Election of Board of Directors. To be nominated as a director to serve on either the RMQHA Race or the Show and Performance Board of Directors, the nominee must be a member of the Rocky Mountain Quarter Horse Association in good standing for a period of at least one year prior to nomination. Six (6) Directors shall be elected at the Open Race and Open Show meetings held during the annual convention; three (3) directors whose interests are primarily the race horse industry for a term of four (4) years; and three (3) directors whose interests are primarily the working and show horse industry for a term of four (4) years. Prior to the open Racing and open Show meetings the Vice President of each division, with the approval of the President of the Association, shall appoint a nominating committee on behalf of *the racing division* whose duty it shall be to propose a slate of three or more directors, and a nominating committee on behalf of *the working and show horse division* whose duty it shall be to propose a slate of three or more directors. The open meetings shall be open for nominations from the floor subsequent to the report of each respective nominating committee. Each voting member in attendance at the open meeting shall vote according to his individual interest, to wit; the race horse industry or the working and show horse industry shall be entitled to one vote for each directorship to be filled within his area of primary interest.

SECTION 4: Term Limits of Board of Directors. *All appointments to the Board shall be for a term of four (4) years. Commencing in 2016, no person shall serve more than two (2) consecutive terms for a total of eight consecutive years. After serving the maximum total of eight (8) years on the Board, a member may be eligible for reconsideration as a Board*

member after two (2) years have passed since the conclusion of such Board member's service. If there is a vacancy created by extenuating circumstances or an open position left due to a failure to elect the fully authorized number of directors at the Annual meeting, the respective Board of each division (Race, Working and Show) may during the course of a Board meeting, at which a quorum is present, vote to re-appoint a Board member(s) for two (2) additional years.

SECTION 5. Removal of Board Members. Board members may be removed *with or without cause*, after an opportunity for hearing before the Board of Directors, by two-thirds vote of the Board members present at said hearing. Board members who miss three consecutive meetings shall be automatically removed from *the board*. ***Board members removed from the Board due to lack of attendance shall be notified in writing of such action via mail or email. Excused absences shall be determined by two-thirds vote of the Board present at the meeting, and shall be so noted in the minutes of the respective board meeting.***

SECTION 6. Vacancies. ***Vacancies created by death, resignation or removal of a director shall be filled the by the respective Board (Race, Working and Show) by two-thirds vote of the Board of Directors; said nominee to serve until the next annual membership meeting at which time the vacancy shall be filled by a vote of membership to serve the remaining portion of the unexpired term.***

ARTICLE IX

EXECUTIVE COMMITTEE

SECTION 1. Executive Committee. ***The Executive Committee shall consist of the President, serving as Chairman, Vice President of the Race Division, Vice President of the Working and Show Division, the chairman of the Youth Committee, Chairman of the Budget and Finance Committee and the immediate Past President. All past Presidents shall act in an advisory role to the Executive Committee and invited to all Executive Committee meetings. The members of the Executive Committee shall serve until their successors are duly elected and appointed. A quorum of at least four (4) members must be present at the meeting of the Executive Committee to conduct business.***

SECTION 2. Duties of Executive Committee. The Executive Committee shall be responsible for overseeing the daily operations of the Association and, to that end, may authorize all necessary expenditures; provided, however, the Executive Committee may not authorize any non-budgeted expenditure in excess of an annual amount to be set by the Board of Directors. ***The Executive Committee shall have final approval of the Budget and Finance Committee members and the Association's budget. The Executive Committee shall be charged with the appointment/hiring of the Executive Director with the approval of the majority vote of the full Board of Directors. Employment of the Executive Director may be terminated, with or without cause, by the Executive Committee with the approval of the majority vote of the full Board of Directors.*** The Executive Committee shall carry out and discharge such additional responsibilities as may be delegated to it by the Board of Directors ***including, but not limited to, the approval of committee members of standing and working committees***

ARTICLE X

EXECUTIVE DIRECTOR

SECTION 1. Executive Director. *The Executive Director is a paid position that acts as the general manager of the Association. The Executive Director shall discharge the administrative duties of the RMQHA office as delegated by the Board of Directors, including but not limited to, conducting day-to-day business, overseeing compliance with all AQHA, Federal and State laws, rules and regulations and any other duties designated by the Board and/or Executive Committee. The Executive Director shall be instrumental in the hiring/firing of any additional office workers or office staff with the approval of the majority vote of the Executive Committee. The Board of Directors is authorized to determine if the financial standing of the Association permits the hiring or maintaining the employment of the Executive Director. If the Executive Director position is not feasible and in the best interest of the Association, the Executive Committee shall be charged with the hiring of the appropriate office help to maintain accurate records and reports in compliance with the Revised Non-Profit Act of Colorado with the approval of the majority vote of the full Board of Directors.*

ARTICLE XI

DIVISIONS

SECTION 1. Working and Show Division. *The working and show division shall be made up of members whose primary interests are related to the working, ranching, recreational and show horse industry. The Working and Show Board shall consist of twelve (12) members elected to the Board of Directors with primary interest in the working and show horse industry. Members of the Board shall be elected at the annual meeting by the general membership. No person shall be elected Vice President of the Working and Show Division Board until he/she has served two (2) years on the Board of Directors.*

SECTION 2. Race Division. *The Race Division shall be made up of members whose primary interests are related to the horse racing industry. The Race Board shall consist of twelve (12) members elected to the Board of Directors with primary interest in the horse racing industry. Members of the Board shall be elected at the annual meeting by the general membership. No person shall be elected Vice President of the Race Division board until he/she has served two (2) years on the Board of Directors.*

ARTICLE XII

STANDING COMMITTEES

SECTION 1. Standing Committees. *The following committees shall constitute standing committees: Budget and Finance, Youth, Amateur, Ranching and Recreational. Each standing committee shall develop and periodically update a Committee Procedure Manual that shall be approved by the Executive Committee.*

SECTION 2. Budget and Finance. *The Budget and Finance Committee shall consist of the Treasurer, serving as Chairman, and four (4) members. Two (2) members appointed by the*

President; One director from the Working and Show Division and one director from the Race Division. Two (2) at-large members shall be approved by the Executive Committee. The Treasurer (Chairman) shall serve as a liaison with the Association's accounting firm and the membership. The Budget and Finance Committee shall be charged with creating and maintaining the budget of the Association with the approval of the Executive Committee. The budget of the Working and Show Division and the Race Division shall be approved by the majority vote of their respective Board of Directors.

SECTION 3. Youth Committee. The Youth Committee shall consist of five (5) members. Two members shall be appointed by the President; one Director from the Working and Show Division and one from the Race Division and three (3) at-large members. The Chairman shall be elected from among the committee members by the majority vote of the committee members. The Chairman must be a current member of the Board of Directors. The Youth Committee shall supervise and provide guidance to the members of the Rocky Mountain Quarter Horse Youth Association.

SECTION 4. Amateur Committee. The Amateur Committee shall consist of not less than five (5) members and not more than eleven (11) members. Members desiring to serve on the Amateur Committee shall notify the President prior to the Annual Meeting of the Association. The President shall appoint members to the committee with the approval and advice of the Executive Committee. The Chairman shall be elected from among the committee members by the majority vote of the committee members. The Chairman must be a current member of the Board of Directors. The Amateur Committee shall be charged with creating activities, events and fundraising projects that promote the interests of Amateur owners/exhibitors.

SECTION 5. Ranching and Recreational Committee. The Ranching and Recreational Committee shall consist of not less than five (5) members and not more than eleven (11) members. Two members shall be Directors appointed by the President; one Director from the Working and Show Division and one Director from the Race Division. Members desiring to serve on the Ranching and Recreational Committee shall notify the President prior to the Annual meeting of the Association. The President shall appoint members to the Committee with the advice and approval of the Executive Committee. The Chairman shall be elected from among the members of the committee by majority vote of the committee members. The Chairman must be a current member of the Board of Directors. The Ranching and Recreational Committee shall be charged with the promotion of events, activities, programs and education that encourage participation in the Ranching and Recreational industries.

ARTICLE XIII

WORKING COMMITTEES

*SECTION 1. Working Committees Working committees of the Association shall be established on an as-needed basis. The Chairman of these committees shall be appointed by the Vice President of the respective divisions, with the approval of the **Executive Committee**.*

ARTICLE XIV

CONFLICT OF INTEREST

SECTION 1. Conflict of Interest. The purpose of the Conflict of Interests policy is to protect the Association's interest when it is contemplating a transaction or arrangement that might benefit the private interests of one of its officers or directors, or that might otherwise result in a possible excess transaction. No person may be chairperson of any standing or ad hoc committee if that person has a pecuniary interest which may be affected by the actions of the committee. This policy is intended to supplement but not to replace any applicable state and federal laws governing conflict of interests applicable to non-profit corporations/organizations.

SECTION 2. Acknowledgement of Conflict of Interest Policy. Each Director, principle officer and member of a committee with Board delegated powers shall be required to sign a statement which affirms that such person:

- a. Has received a copy of the conflict of interest policy.***
- b. Has read and understands the policy***
- c. Has agreed to comply with the policy***
- d. Understands that the Association in order to maintain its federal tax exemption must engage primarily in activities which accomplish one or more of its tax-exempt purposes.***

SECTION 3. 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 who are considering the proposed transaction or arrangement.

SECTION 4. Establishing a Conflict of Interest. After the disclosure of the financial interest and all material facts, and after any discussion with the interested party, the interested person shall leave the Board meeting while the potential conflict of interest is discussed and voted upon. The majority vote of the Board shall determine if a conflict of interest exists.

SECTION 5. Addressing a Conflict of Interest. In the event that the Board should establish that a proposed transaction or arrangement establishes a conflict of interest, the Board shall then proceed with the following actions:

- a) Any interested person may render a request or report at the Board meeting, but upon completion of said request or report the individual shall be excused while the Board discusses the information and/or material presented and then votes on the transaction or arrangement proposed involving the possible conflict of interest.***
- b) The Vice President of the respective Board shall, if deemed necessary and appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.***
- c) After exercising due diligence, the Board shall determine whether the Association can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.***
- d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by majority vote of the disinterested directors whether the transaction or arrangement is in the best interest of the Association, for its own benefit, and whether it is fair and reasonable. It shall make its decision as to whether to enter into the transaction arrangement in conformity with this determination***

SECTION 6. Violations of Conflict of Interest Policy. Should the Board have reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interests, the Board shall then inform the interested person of the basis for such a belief and afford the interested party an opportunity to explain the alleged failure to disclose. If, after hearing the person's explanation, and after making further investigation, as may be warranted in consideration of the circumstances, the Board determines the interested person intentionally failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE XV

FISCAL YEAR

SECTION 1. Fiscal Year. The fiscal year of the Association shall be as determined by the Board of Directors.

ARTICLE XVI

LIABILITY

SECTION 1. Director Liability. No director of the Association shall be liable to the Association or to its members for monetary damages for breach of fiduciary duty as a director except in the case of (1) for breach of the directors duty of loyalty; (2) acts or omission not in good faith or which involve intentional misconduct or knowing violation of the law; (3) any transaction from which the director derived improper personal benefit; and (4) loans made to directors or officers.

SECTION 2. Indemnification. The Association hereby indemnifies and holds harmless each Association officer, director, employee and agent from individual liability, whenever or however arising from authorized, non-negligent, good faith acts, conduct and decisions made or incurred in the furtherance of the Association's business and in the individual's official capacity. The Association hereby further indemnifies each director from individual liability for actions for which he/she is not liable under Section 1 above. If such individual is sued in a court of law, the Association shall defend that individual, at the Association's cost, on the condition that the Association may direct the defense thereof and have full authority as to disposition of the case. The individual being protected will cooperate fully with the Association in the defense of said liability and will promptly notify the Board of Directors of the Association of the existence of any potential claim of liability or the filing of suit against the individual; and will give the Association full access to all information and records pertaining to the transaction.

ARTICLE XVII

AMENDMENT OF BYLAWS

SECTION 1. Amendment of bylaws ***These bylaws may be adopted, amended or repealed by the majority vote of the membership at the General Membership meeting at the Annual meeting. The final tally of votes will include votes by absentee ballot. Bylaws proposals and***

amendments may be submitted by members for review by the bylaws committee. All bylaws proposals shall be submitted to the full Board of Directors prior to being published in the RMQHA magazine for suggestions and input. The bylaws committee will finalize the proposals, with the best interest of the Association, and the proposed bylaws revisions will be published in the RMQHA magazine at least 30 days prior to the Annual meeting for review prior to the voting process at the Annual meeting.

ARTICLE XVIII

HONORARY VICE PRESIDENTS

SECTION 1. Designation. The Board of Directors may recommend to the membership at the Annual Meeting that certain past board members be elevated to the status of Honorary Vice President. Confirmation will require a two-thirds majority vote of the membership present at the meeting.

SECTION 2. Duties. Honorary Vice Presidents shall serve in an advisory capacity and may sit in on all directors meetings and shall retain full lifetime voting privileges. The President may appoint one or more Honorary Vice Presidents to each standing committee.

SECTION 3. Lifetime Membership. All Honorary Vice Presidents shall be granted a lifetime membership in the Association.

ARTICLE XIX

DISCIPLINARY PROCEDURE

SECTION 1. Failure to Pay. Any member of the Rocky Mountain Quarter Horse Association may be suspended and denied privileges of the Association for the failure to pay when due any obligation owing to the Association (which includes the Rocky Mountain Quarter Horse magazine) or giving a worthless check for entry fees, office charge, stock charges or any other fees or charges connected with the exhibition of horses at any approved Rocky Mountain Quarter Horse Association shows or race tracks, provided, however, that fifteen (15) days before such action by the Secretary, written notice of the account due and the intention to suspend or withhold privileges of the Association shall be delivered to such member or non-member. Any suspension and denial of privilege under this section shall terminate upon full payment of the obligation due the Association.

SECTION 2. Suspension of Membership. A member may have their RMQHA membership suspended if that member has received a suspension of membership from the American Quarter Horse Association. The period of suspension shall run concurrent with the suspension imposed by AQHA and reinstatement shall occur when reinstated with AQHA.

ARTICLE XX

RECORDS AND REPORTS

SECTION 1. Maintenance and Inspection of Articles and Bylaws. The Association shall keep at its principle office the original or copies of its Articles of Incorporation and bylaws

as amended to date, which will be open to inspection by the directors at all reasonable times during office hours.

SECTION 2. Maintenance and Inspection of Federal Tax Exemption Application and Annual Information Returns. *The Association shall keep at its principle office a copy of its federal tax exemption application and its annual information returns for three (3) years from their date of filing, which shall be open to public inspection and copying to the extent required by law.*

SECTION 3. Maintenance and Inspection of Other Corporate Records. *The Association shall keep adequate and correct books and records of accounts and written minutes of the proceedings of the board and the committees of the Board at the principle office of the Association. The minutes shall be kept in written or typed form or in any form capable of being converted into written, typed or printed form. Upon leaving office, each officer, employee or agent of the Association shall turn over to his or her successor or President, in good order, such Association monies, books, records, minutes, lists, documents, contracts or other property of the Association as have been in the custody of such officer, employee, or agent during his or her term of office. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the Association. The inspection may be made in person or by an agent or attorney, and shall include the right to copy and make extracts of the documents.*

ARTICLE XXI

RULE OF ORDER

SECTION 1. Rule of Order. Roberts Rules of Order shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with the Bylaws or special rules of this Association.

ARTICLE XXII

AQHA DIRECTORS

SECTION 1. AQHA Directors. The AQHA has allocated directorships for individuals from the State of Colorado. The Association shall recommend nominees to AQHA to fill these directorship positions on an annual basis *in accordance with AQHA bylaws.*

SECTION 2. AQHA Directors Recommenations. *The Race Division shall recommend one half (1/2) of the allocated Directors to the general membership for approval. The Working and Show Division shall recommend one half (1/2) of the allocated Directors to the general membership for approval. If an odd number of AQHA Directors are allocated to the state of Colorado then the Executive Committee shall allocate the directorship to the general membership representing both the Race and the Working and Show Divisions. Upon approval of the general membership at the annual RMQHA convention, the slate of nominated Directors will be submitted for recommendation to AQHA on an annual basis. Upon approval by AQHA, this slate of nominated Directors will remain in place with no*

changes, until such time as there is a challenge of a Director or a vacancy occurs within the Association.

SECTION 3. AQHA Director Determination. All persons interested in being nominated by the Association to AQHA as a director shall present their name and credentials to the Association through the Association ***Executive Director*** or the appropriate Division nominating committee. All such persons shall make their submittals to the ***Executive Director*** or the nominating committees on or before ***September 15*** of each year. The slate of qualified nominees shall be published in the November edition of the Association magazine. The nominating committee for each Board shall present all qualified nominees to the members of the respective Divisions at the open Divisions meetings at the annual convention. At the open Division meetings, nominations of qualified individuals will also be accepted from the floor. The members of each Division shall elect the appropriate number of persons to be recommended for AQHA directorship by the general membership.

SECTION 4. ***To qualify for consideration as an AQHA Director a person shall be given priority if they have served a four (4) year term on the RMQHA Board of Directors.***

SECTION 5. In evaluating qualified persons at the Division membership meetings, members should consider the following factors in selecting their nominees:

- a. Involvement and support of the nominee in ***RMQHA*** and AQHA activities.
- b. Involvement of the nominee in Quarter Horse breeding, showing, racing, etc.

SECTION 6. All persons recommended by the Association to AQHA for directorships are expected to attend ALL annual AQHA meetings, except in exigent circumstances. Vice Presidents of the Association are also encouraged to attend all annual AQHA Meetings.

SECTION 7. In the event that there are no qualified candidates, or the AQHA changes the number of directors allocated to Colorado, the Association shall rely on the guidelines and recommendations set forth by the AQHA concerning filling these positions.

SECTION 8. ***Each AQHA Director from Colorado shall submit a year-end summary to the RMQHA office. This report shall be a concise summary of any and all correspondence to AQHA by the Director. Copies of the reports shall be available to the membership in the RMQHA office and published in at least one issue of the RMQHA magazine.***

ARTICLE XXIII

COLORADO BRED RULES FOR RACING

As required by the Colorado Racing Commission and/or the Colorado Attorney General and per the Special Rules of the State of Colorado - Laws #19.01:1 through 19.03:2.

SECTION 1. To qualify as a registered Colorado Broodmare, the mare must be registered in the Association registry by December 31, preceding the year the foal is dropped. An application to place a mare in the registry preceding the year of foaling shall be accompanied by the proper fee on record in the Rocky Mountain Quarter Horse Association office, except as hereinafter provided. An application to place a mare in the registry prior to foaling from January 1 to March 1

of foaling year and accompanied by a late fee per schedule on record in the Rocky Mountain Quarter Horse Association Office. The mare must foal in Colorado.

SECTION 2. All embryo recipient mares must be in Colorado by December 31 of breeding year and remain in the State until foaling in order for the foal to be considered eligible for "Colorado Bred" status. The donor mare must be registered in the Colorado Bred program according to the rules of registration in Section 1 and remain in the State until foaling.

SECTION 3. If a registered Colorado Broodmare is bred by shipped, cooled semen per the American Quarter Horse Association conditions, and meets the criteria above, the foal is eligible for "Colorado Bred" status.

SECTION 4. Once a broodmare has been registered per the rules of registration, that mare has a lifetime registration in the program. Report forms will be sent annually for each mare registered. Report forms are to be completed by the owner on file as to the location, status of foaling, re-breeding, and present ownership of each registered mare. Owner of broodmare at time of foaling shall be considered the owner eligible for Breeder's Awards per program conditions.

SECTION 5. To qualify as a registered Colorado Stallion, the stallion must be registered in the Association registry by June 1, and standing in the State of Colorado for current breeding season accompanied by proper lifetime fee on file in the Rocky Mountain Quarter Horse Association office. Thereafter, all registered stallions must submit a stallion report for each breeding season by December 31 until stallion is no longer standing in the State of Colorado or is considered inactive due to death or age.

SECTION 6. Foals of 1981 and thereafter from both eligible registered stallions and broodmares will be stamped "Colorado Bred Foaled and/or Sired" for racing. Fees for registering foals are on file in the office of the Rocky Mountain Quarter Horse Association.

SECTION 7. A filly stamped "Colorado Bred" for racing purposes must be registered in the Broodmare registry in order to be eligible to produce eligible "Colorado Bred" foals.

SECTION 8. Eligible "Colorado Bred" foaled and sired foals shall accumulate one point for every ten dollars (\$10.00) of each paid purse per official results at Colorado licensed racetracks, not to exceed 1000 points per race. The total accumulated points of all eligible foals for the year will be divided into the dollar amount allocated to the Quarter Horse breed by the Colorado Racing Commission, to determine the dollar value amount of each point.

SECTION 9. Distribution. The race directors shall determine annually the percentage of the total allowance awarded by the State of Colorado that will be used for administration of the program by the Rocky Mountain Quarter Horse Association, but no less than five percent (5%) of the total allowance awarded by the State of Colorado. The remainder of the allowance is distributed as follows: forty percent (40%) to eligible broodmare owners; twenty percent (20%) to eligible stallion owners; a minimum of twenty percent (20%) to eligible foal owners and a maximum of up to twenty percent (20%) to supplemental purses.