



WCHA Executive Committee Meeting
July 25, 2018
6:00 pm CST
Meeting Minutes

Agenda:

- I. Roll Call**
 - a. Old Business
 - i. Approve the June 6th & 11th Executive Committee meeting minutes.
 - II. New Business**
 - a. Governance Committee Bylaw Recommendation
 - i. Revision: 07172018
 - ii. Discussion
 - b. 2018 Pro-Forma Budget
 - i. Review
 - ii. Discussion
 - c. Foundation Application for 501 (c)3 Non-Profit status
 - i. Review
 - ii. Discussion
 - III. Additional items**
 - IV. Adjourn**
-

Minutes:

- I. Roll Call**
 - a. Members Present
 - i. Robin Klover
 - ii. Michael Clites
 - iii. Bill Huckabee
 - iv. Debby Brehm
 - v. Don Falcon, Interim Executive Director
 - vi. Laura Manuel, Treasurer
 - vii. Luke Castle, Advisory
 - viii. Krissy Colbath, Administrative Assistant
 - ix. Kate Jackson, Administrative Consultant
- II. Old Business**
 - i. Approve the June 6th & 11th Executive Committee meeting minutes.

- ii. There was a motion to approve the meeting minutes as they stand. The motion was seconded, and the motion carried.

III. **New Business**

a. Governance Committee Bylaw Recommendation

- i. The Revision: 07172018 was initially reviewed in a previous meeting. The Governance chair addressed some of the concerns that were raised via e-mail following the July 11th, 2018 Executive Committee meeting.
 - 1. There was a question posed if the document should be reviewed by an attorney prior to presentation to the board of directors. The Executive Committee will reach out to Jack Grove to see if he would be willing to volunteer his services as an attorney to review the 07172018 document.
 - 2. There was a discussion regarding Sections 3 and 5 paragraph 2 regarding term limits for the Executive Officers and the various scenarios that result in officers either choosing to run for re-election or not wish to progress to the next office position.
 - a. Further discussion involved inserting the wording, "should the president elect choose not to progress at the request of the board of the directors the current president may serve current president may serve a second term."
 - b. Additional discussion involved reviewing how the executive committee may be reconstituted mid-year should the president be required to resign and the president-elect chose not to progress into the presidential role. These three officer positions will need to be addressed in Article 6 Section 3, 5 & 6.
 - c. A motion was made to approve the bylaws upon review Article 6 Section 3, 5 & 6 to address the reconstitution issue.

b. 2018 Pro-Forma Budget

- i. Robin led the review of the 2018 Pro Forma Budget as the past treasurer to wrap up his duties as the prior year treasurer.
- ii. There was a discussion regarding the trailer raffle and how the expense of the trailer would be posted in the budget. Various strategies were discussed as to how to handle the trailer raffle and boost ticket sales to cover that cost.

c. Foundation Application for 501 (c)3 Non-Profit status

- i. There was a review of the Foundation Committee's submission to the Executive Committee regarding the application of the 501(c)3 status.
- ii. A motion was made to have the Foundation Committee proceed with the filing of a 501(c)3 status for the WCHA Foundation and grant the filing fee to accompany the application. The motion was seconded and carried.

IV. **Adjourn**

- a. There was a motion to adjourn the meeting. The motion was seconded and the meeting was adjourned.

Respectfully Submitted By: Krissy Colbath
WCHA Administrative Assistant



WCHA Executive Committee Meeting
June 6, 2018
6:00 pm CST
Meeting Minutes

Agenda:

- I. Roll Call
- II. Old Business
 - a. Approve the March 14th, March 28th, April 11th & May 30th Meeting Minutes
- III. New Business
 - a. Judges Committee Recommendations
 - i. Approve
 - b. Governance Chair
 - i. Proposed By Laws
 - 1. Website Markup
 - 2. Spencerfane model
 - c. Additional items
- IV. Adjourn

Minutes:

- I. **Roll Call**
 - a. Robin Klover called the meeting to order.
 - b. Members Present.
 - i. Robin Klover
 - ii. Michael Clites
 - iii. Bill Huckabee
 - iv. Debby Brehm
 - v. Don Falcon, Interim Executive Director
 - vi. Laura Manuel, Treasurer – Non Voting
 - vii. Luke Castle, Advisory
 - viii. Krissy Colbath, Administrative Consultant
- V. Old Business
 - a. Don Falcon was welcomed to the meeting as the Interim Executive Director.
 - b. Approve the March 14th, March 28th, April 11th & May 30th Meeting Minutes
 - i. A motion was made to approve the meeting minutes.
 - 1. The motion was seconded and carried.
- VI. New Business

- a. Judges Committee Recommendations
 - i. Approve
 - 1. The judges committee recommended to approve Steve Heckaman and Clark Scoggins as WCHA judges from the most recent judge's seminar.
 - 2. There was a discussion of the selection process that the Judge's Committee uses to make their recommendations.
 - 3. A motion was made to approve the two candidates, Steve Heckaman and Clark Scoggins.
 - a. The motion was seconded and carried.
 - b. Governance Chair
 - i. Proposed By Laws
 - ii. At 6:26pm Rebekah Herrmann, Chair of the Governance Committee joined the call.
 - 1. Website Markup
 - a. The Governance Chair presented the history behind the previous bylaw updates and revisions that brought WCHA to this current need for revision.
 - b. A redline markup of the bylaws, WCHA Bylaws_BOD_06212016_06_22_2018.docx, proposed by the Governance Committee was presented. This is a markup of the bylaws that were originally adopted on 10/17/2007 then updated 4/21/2016.
 - 2. Spencerfane model
 - a. There was discussion on the reasoning and action taken by the Governance Committee years prior to reach out to Spencerfane. It was also discussed why the Board of Directors chose not to adopt the Spencerfane model.
 - b. The Governance Committee expressed that they felt like voting to amend the bylaws line by line would not be as effective as repealing and replacing the bylaws in their entirety. This was the reasoning for the direction they took in preparing the bylaws presented at the May 30th, 2018 Executive Committee Meeting.
 - c. There was a discussion of the timeline in regards to creating the proposed bylaws as well as the timeline required to rework the document in its' entirety.
 - iii. Rebekah Herrmann left the call at 6:43pm.
 - 1. Further Discussion
 - a. There was further discussion on the role of the Executive Committee in directing the Governance Committee.
 - b. Based on historical operations the committee felt that it was their role to give guidance to the Governance Committee prior to presentation to the Board of Directors.
 - c. A motion was made for each Executive Committee Member to review the document presented by the Governance Committee and convey any recommendations back to the Chair to present to the Governance Committee for consideration. The Governance Committee would then present its final

recommendation to the Executive Committee for approval then on to the Board of Directors.

c. Additional items

- i. The proposed agreement with The Equine Chronicle was discussed.
 1. Page 2, of the agreement was brought up where the 16 pages of advertising was discussed, and further clarification is that the WCHA can either take a percentage of the revenue, or can take some of the pages at cost.
 2. It was noted that the first deadline is next Tuesday, June 12th. Content for the first four pages was discussed.
 3. The slogan will be *Taking the Lead* instead of *Take the Lead*.
 4. The amenities that WCHA will receive were discussed and clarified.
 5. There was discussion on unveiling the new WCHA logo with the first ad in The Equine Chronicle.
 - a. The motion was made to adjust the timeline was to unveil the logo in The Equine Chronicle instead of waiting until the Breeder's Futurity.
 - i. The motion was seconded and carried.
- ii. The WCHA will have a booth at the Bradshaw Sale, and we currently do not have banners that represent the Breeder's or Big Money Futurity. New banners will be ordered to use at this event and other events.
- iii. An update was given regarding the APHA staffing agreement, and other potential candidates to fill the staffing needs of WCHA.
 1. Members of the committee will build a recommendation to address the staffing needs.

VII. Adjourn

- a. A motion was made to adjourn the meeting.
 - i. The motion was seconded and the meeting was adjourned.

Respectfully Submitted By: Krissy Colbath
WCHA Administrative Consultant



WCHA Executive Committee Meeting
July 7, 2018
6:00 pm CST
Meeting Minutes

Agenda:

Committee Chair Discussion

- I. Platinum Sponsor Proposal (See Attached)
 - a. Discussion
- II. Alliance Partner Membership
 - a. Add a new WCHA membership category
 - b. 2 year introductory membership
 - c. Pros
 - i. Provide WCHA with the opportunity to define a target group of people
 - ii. The opportunity to communicate our Mission to a larger audience
 - iii. Help grow participation at our events
 - iv. Provide a period for WCHA to grow the value of its membership
 - v. Broaden our sponsorship base
 - vi. Increase our marketability to corporate sponsorships.
 - d. Cons
 - i. Devaluing our membership
 - ii. Increased staffing commitment
- III. Trailer Raffle
 - a. Update on ticket sales
 - b. Ideas to promote sales

Executive Committee Meeting

- I. Roll Call
- II. Old Business
 - a. Approve the June 6th Executive Committee meeting minutes.
- III. New Business
- IV. Contracts
- V. Independent Contractor Agreements
 - a. Discussion
 - b. Alliance Partner Agreement
 - i. Discuss Membership Clause (Section 3.a)
- VI. Bylaws

Minutes:

Executive Committee Meeting

I. Roll Call

- a. Robin Klover called the meeting to order.
- b. Members Present.
 - i. Robin Klover
 - ii. Michael Clites
 - iii. Bill Huckabee
 - iv. Don Falcon, Interim Executive Director
 - v. Laura Manuel, Treasurer
 - vi. Luke Castle, Advisory
 - vii. Krissy Colbath, Administrative Assistant
 - viii. Kate Jackson, Administrative Consultant
 - ix. Committee Chairs Present
 - 1. Rebekah Hermann
 - 2. Kathy Smallwood
 - 3. Ralph Manuel
 - x. Not Present
 - 1. Debby Brehm
 - 2. Andrea Olson
 - 3. Jeffrey Pait
 - 4. Anna Horn
 - 5. Candace

Committee Chair Discussion

I. Platinum Sponsor Proposal

- a. Discussion
 - i. There was a discussion as to the role of the sponsorship and where the money would be dedicated. There was a clarification that the membership would be designated to the general fund.
 - ii. Further discussion related to the possibility of the Foundation being a 501c(3) and if WCHA would be eligible to be a 501c(3) and how that would relate to this Platinum Sponsor Proposal.
 - iii. There was a question and subsequent discussion related to how this would function in consideration to Founding and Lifetime memberships.
 - iv. It was then clarified that this proposal is meant to be a membership level instead of a sponsorship.
 - v. Logistics of the membership level were thoroughly discussed.

II. Alliance Partner Membership

- a. The possibility of adding a new two year entry level WCHA membership category was presented.
- b. There was a thorough discussion of the pros of initiating this membership level.
 - i. Provide WCHA with the opportunity to define a target group of people

- ii. The opportunity to communicate our Mission to a larger audience
 - iii. Help grow participation at our events
 - iv. Provide a period for WCHA to grow the value of its membership
 - v. Broaden our sponsorship base
 - vi. Increase our marketability to corporate sponsorships.
 - c. Some of the concerns of introducing this membership level were that of devaluing our membership and increased staffing commitment.
 - d. Further discussion on the topic involved:
 - i. The administrative cost involved with this, and the possibility of membership software to help make the process more efficient.
 - ii. The idea of starting by getting lists from our alliance partners to see the amount of potential members and contact so there is an idea of what level of administrative work is necessary. It was mentioned that the membership needs to offset the administrative cost. A fee of \$25 was suggested.
- III. Trailer Raffle
- a. An overview of the current ticket sales was given. To date 105 tickets have been sold. There are 149 tickets in WCHA members hand to be sold. There are 246 tickets that have not been assigned that need to be sold.
 - b. Further discussion on ideas to promote sales was to send out flyers to go with the tickets to help promote the trailer to other industries.
 - c. Also it was mentioned that we should promote and market the trailer to outside industries since it is fully customizable within the price point.
- IV. The Foundation Committee gave a report that between the Foundation and Finance committees project that they will be submitting the forms to the IRS by September 1st. The IRS processes the paperwork within 2-8 months; however, when the forms are submitted the Foundation can work as a 501c(3) until a determination is made by the IRS. The filing fee for the forms is \$600, so that expense will need to be approved.
- V. All committee chairs left the meeting at 7:10pm (CDT).

Executive Committee Meeting began at 7:11am (CDT)

- I. Roll Call
 - a. Members Present
 - i. Robin Klover
 - ii. Michael Clites
 - iii. Bill Huckabee
 - iv. Don Falcon, Interim Executive Director
 - v. Laura Manuel, Treasurer
 - vi. Luke Castle, Advisory
 - vii. Krissy Colbath, Administrative Assistant
 - viii. Kate Jackson, Administrative Consultant
 - b. Members Not Present
 - i. Debby Brehm
- II. Old Business
 - a. Approve the June 6th Executive Committee meeting minutes.
 - i. Approval of the June 6th minutes was tabled.
- III. New Business
- IV. Contracts
- V. Independent Contractor Agreements
 - a. Discussion
 - i. There was an explanation of each of the independent contractor agreements, and the roles that each of the contractors will fill for

WCHA. Executive committee members reviewed and approved all three contracts via a subsequent e-mail vote. The contracts were unanimously approved.

- b. Alliance Partner Agreement Template
 - i. Discuss Membership Clause (Section 3.a)

VI. WCHA's Responsibilities.

- a. *WCHA will recognize "Affiliate Organizations" members that have either materially participated in competition or indicated they are Halter enthusiasts as a member with WCHA at no additional charge through December 31, 2020.*

- i. There was a discussion of the current status of the various alliance agreements.
- ii. Based on the committee chair meeting recommendations there was discussion based on the administrative undertaking and the potential fees involved with an introductory membership.
 - 1. This was tabled until the next Executive Committee Meeting.

VII. Bylaws

- a. Revision 07082018
 - i. The revisions and comments for the 07082018 bylaw document were reviewed.
- b. Discussion
 - i. Members of the committee were instructed to review the document and submit their comments via e-mail.

VIII. Adjourn

- a. There was a motion to adjourn the meeting. The motion was seconded and carried.

Respectfully Submitted By: Krissy Colbath
WCHA Administrative Assistant

World Conformation Horse Association

Profit & Loss Prev Year Comparison

January through December 2017

	Jan - Dec 18	Jan - Dec 17	Jan - Dec 16
Income			
Income			
Alliance OBE	10,000.00	0.00	16,000.00
Banquet			
Auction	20,000.00	40,450.00	17,250.00
Admissions	10,000.00	10,670.00	9,350.00
Sponsorships	0.00	0.00	900.00
Total Banquet	30,000.00	51,120.00	27,500.00
Credit Card Processing	1,600.00	3,225.75	2,013.35
Donations / Sponsorships	25,000.00	2,500.00	41,950.00
Futurity Administrative Fee	40,000.00	43,150.00	38,321.00
Futurities			
Office Fee	2,500.00	3,600.00	2,655.00
Entry Fees	185,000.00	174,650.00	109,997.50
Mare Nominations	0.00	3,600.00	2,300.00
Sponsorships	25,500.00	19,031.00	38,700.00
Stallion Nominations	150,000.00	123,100.00	69,355.00
Stall Fees	8,000.00	7,740.00	12,437.50
Vendor Fees	0.00	0.00	200.00
"WCHA Professional Trainers"	5,100.00	5,100.00	0.00
Total Futurities	376,100.00	336,821.00	235,645.00
"Gift Card" Raffle	0.00	1,600.00	0.00
"Golf Cart Trail" Challenge	0.00	0.00	13,110.00
Interest / Dividend Income	25.00	86.07	17.19
Judge's Seminar	400.00	500.00	300.00
"Lip Sync" Calcutta	0.00	3,950.00	0.00
Membership Dues	9,300.00	8,487.50	9,260.00
Merchandise Sales	0.00	4,090.00	740.00
Online Auction	0.00	0.00	9,215.00
Returned Check Fee	0.00	0.00	108.30
Shipping	25.00	25.90	6.00
Show Approval Fee	0.00	300.00	0.00
Silent Auction	0.00	1,455.00	0.00
"Take the Lead" Raffle	0.00	0.00	5,200.00
Trainer Sale	0.00	9,100.00	3,500.00
WCHA Foundation		6,940.00	0.00
Online Auction	10,000.00		
2017/2018 Trailer Raffle	10,000.00	3,975.00	0.00
Total Income	512,450.00	477,326.22	402,885.84
Total Income	512,450.00	477,326.22	402,885.84
Gross Profit	512,450.00	477,326.22	402,885.84
Expense			
Expense			
Alliance OBE	10,000.00	0.00	13,890.30

World Conformation Horse Association

Profit & Loss Prev Year Comparison

January through December 2017

	Jan - Dec 18	Jan - Dec 17	Jan - Dec 16
Accounting	1,700.00	0.00	713.80
Bank & Credit Card Fees	1,200.00	4,803.78	3,691.22
Banquet			
Advertising	400.00	93.26	716.76
Awards	2,350.00	2,333.77	2,821.53
Facility	9,000.00	8,993.41	8,817.89
Video Production	1,800.00	1,800.00	1,507.22
Total Banquet	13,550.00	13,220.44	13,863.40
Business Registration Fees	0.00	0.00	1,704.38
Conference, Convention, Meeting	0.00	1,130.87	676.60
Contract Services	75,000.00	69,996.00	70,618.00
Dues and Subscriptions	0.00	0.00	40.00
Foundation			
Applications / Filing Fees	890.00	0.00	0.00
Award Scholarships	4,000.00	4,000.00	0.00
Total Foundation	4,890.00	4,000.00	0.00
Futurities			
Administrative Fee	40,000.00	43,150.00	38,321.00
Awards	8,000.00	7,730.13	14,781.19
Contract Services	5,000.00	8,133.47	14,004.46
Exhibitors Party	3,500.00	3,432.68	279.89
Facility Rental	10,000.00	0.00	12,066.14
Disbursements	291,550.00	269,387.00	189,038.76
Judges	9,000.00	8,675.89	11,304.76
Mare Nominations	0.00	3,600.00	2,300.00
Marketing & Business Dev.	3,500.00	3,078.77	4,753.21
Show Approval / Office	0.00	65.48	1,006.61
Total Futurities	370,550.00	347,253.42	287,856.02
"Gift Card" Raffle	0.00	1,505.95	0.00
"Golf Cart Trail" Challenge	0.00	0.00	6,105.54
Insurance - Liability / D&O	2,300.00	2,252.55	2,971.00
Judge's Seminar	750.00	733.35	0.00
Legal Fees	0.00	5,000.00	1,383.60
"Lip Sync" Calcutta	0.00	2,030.00	0.00
Marketing & Business Dev.	3,500.00	3,467.42	5,427.04
Office Supplies	1,000.00	571.45	1,729.88
Shipping / Postage	750.00	708.91	1,851.06
Sponsorships / Donations	0.00	2,000.00	100.00
"Take the Lead" Raffle	0.00	0.00	5,000.00
Printing & Copying	500.00	70.00	263.24
Telephone	120.00	0.00	160.89
Trainers Sale	0.00	0.00	71.02
Travel	2,000.00	1,593.28	2,632.83
2017/2018 Trailer Raffle	500.00	393.70	0.00

World Conformation Horse Association

Profit & Loss Prev Year Comparison

January through December 2017

	Jan - Dec 18	Jan - Dec 17	Jan - Dec 16
Total Expense	488,310.00	460,731.12	420,749.82
Total Expense	488,310.00	460,731.12	420,749.82
Net Income	24,140.00	16,595.10	-17,863.98

Here is the mission statement for the foundation:

The mission of the WCHA Foundation is to provide financial development opportunities that will support youth scholarships and educational opportunities related to enhancing the public knowledge of the conformation horse.

-----Original Message-----

From: Robin Klover <RobinKlover@REILab.com>
To: epolsen <epolsen@aol.com>
Cc: 'Don & Berta Falcon' <falconranch@earthlink.net>
Sent: Sun, Jul 22, 2018 8:10 pm
Subject: RE: 501(c)3 next steps - Action needed

Andrea,

Thank you for putting this together for review by the Executive Committee. So that I may forward your proposal to the rest of the group, could you send me the mission statement for the Foundation?

Thanks,
Robin

Robin Klover
Vice President, Treasurer
robinklover@reilab.com

Reservoirs Environmental, Inc.
303-964-1986
www.reilab.com

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From: epolsen@aol.com [<mailto:epolsen@aol.com>]
Sent: Sunday, July 22, 2018 7:44 AM
To: Robin Klover
Cc: rmqh@msn.com; Immanuel323@gmail.com; Kerry1Claire1@yahoo.com
Subject: 501(c)3 next steps - Action needed

Hi Robin as requested here is an executive summary of the work that the finance committee the foundation committee and treasure have completed thus far. Per our conversation you will verify with the EC and gain commitment to move forward. You committed that final approval could be done within the span of a couple of days. I will follow up with you Tuesday afternoon.

Need:

It has been an evolutionary process with the WCHA foundation. Initially formed as a subset of the finance committee, the foundation has continued to develop and evolve. In the beginning it was considered more of an investment entity. It continued to be further refined over that past 3 years, and last year, 4 scholarships were awarded to deserving students.

Today the foundation is now a stand alone committee. A fully functioning arm of the WCHA . The next logical step in the evolution the foundation is to gain "charitable" status under the IRS code 501(c)3. This will allow any person that donates to the WCHA Foundation to receive a tax benefit. By having the 501(c)3 status it makes it much more adventitious for individual donors and as such donations greatly increase.

Examples of this type of parent nonprofit organization also having a 501(c)3 associated with it is very prevalent in our industry. APHA and AQHA both have the parent nonprofit organization as well as a designated 501(c)3 organization closely associated with it.

Taking it to its natural evolution:

The next steps in the WCHA Foundation evolution are to file for incorporation articles and then file with the IRS to receive 501(c)3 status.

Next steps:

The finance and foundation committee are requesting the following:

- Proceed with incorporation
 - Legal zoom to assist in incorporation
 - \$265 to incorporate plus a \$25 fee for incorporating in Texas
 - 2 week process time
- Finalize WCHA Foundation bylaws (80% complete at this time, needs articles of incorporation to finalize)
- Once incorporated obtain a federal EIN (employee identification number)
 - No associated cost
 - Must have this to proceed
 - Instantly provided digitally, no time required
- File form 1023 with the IRS to gain 501(c)3 status (form is 90% filled out as of today)
 - \$600 fee
 - When application is sent in, the postmark provides the date that WCHA Foundation would have charitable status
 - Opportunity to have it postmarked by on line auction to have maximum donation impact

As stated above I will follow up with you late afternoon Tuesday for final "go ahead".

THE WORLD CONFORMATION HORSE ASSOCIATION

ARTICLE I NAME

Section 1. Corporation. The name of this organization shall be the World Conformation Horse Association. The business of the Corporation may be conducted as World Conformation Horse Association, herein referred to as the Association or “WCHA”.

ARTICLE II MISSIONS AND POWERS

Section 1. The WCHA is a non-profit Association and shall be operated to unite for the purpose of stimulating interest in and competitive opportunities for enthusiasts of the conformation horse, while protecting the integrity of the horse through responsible stewardship within the meaning of Section 501(c) of the Internal Revenue Code of 1986, or the corresponding section of any future Federal tax code.

WCHA strives to preserve and promote the value of correct conformation in the equine industry.

WCHA believes that correct conformation serves as the foundation to the horse’s ability to successfully perform in any discipline.

WCHA is committed to protecting, preserving, and promoting the conformation standard of the horse and constantly pursuing growth in our industry.

To maximize impact on current efforts, WCHA may seek to collaborate with other non-profit organizations which fall under the 501(c) section of the internal revenue code and are operated exclusively for educational, agricultural, and/or charitable purposes.

At times, per the discretion of the Executive Committee, WCHA may provide internships or volunteer opportunities which shall provide opportunities for involvement in said activities and programs in order to have a greater impact for change.

Section 2 Powers. The WCHA shall have the power, directly or indirectly, alone or in conjunction or cooperation with others, to do any and all lawful acts which may be necessary or convenient to affect the purposes for which the Association is organized, and to aid or assist other organizations or persons whose activities further accomplish, foster, or attain such purposes. The powers of the Association may include, but not be limited to, the acceptance of contributions from the public and private sectors, whether financial or in-kind contributions.

Section 3 Nonprofit Status and Exempt Activities Limitation.

a. Nonprofit Legal Status. WCHA is a Texas non-profit public benefit Association, recognized as tax exempt under Section 501(c) of the United States Internal Revenue Code.

b. Exempt Activities Limitation. Notwithstanding any other provision of these Bylaws, no Director, officer, employee, member, or representative of this Association shall take any action or carry on any activity by or on behalf of the Association not permitted to be taken or carried on by an organization exempt under Section 501(c) of the Internal Revenue Code as it now exists or may be amended, or by any organization contributions to which are deductible under Section 170c.(2) of such Code and Regulations as it now exists or may be amended. No part of the net earnings of the Association shall inure to the benefit or be distributable to any Director, officer, member, or other private person, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the Articles of Incorporation and these Bylaws.

c. Distribution Upon Dissolution. Upon termination or dissolution of the WCHA, any assets lawfully available for distribution shall be distributed to one (1) or more qualifying organizations described in Section 501(c) of the 1986 Internal Revenue Code (or described in any corresponding provision of any successor statute) which organization or organizations have a charitable purpose which, at least generally, includes a purpose similar to the terminating or dissolving Association.

The organization to receive the assets of the WCHA hereunder shall be selected in the discretion of a majority of the managing body of the Association, and if its members cannot so agree, then the recipient organization shall be selected pursuant to a verified petition in equity filed in a court of proper jurisdiction against the WCHA, by one (1) or more of its managing body which verified petition shall contain such statements as reasonably indicate the applicability of this section. The court upon a finding that this section is applicable shall select the qualifying organization or organizations to receive the assets to be distributed, giving preference if practicable to organizations located within the State of Texas.

In the event that the court shall find that this section is applicable but that there is no qualifying organization known to it which has a charitable purpose, which, at least generally, includes a purpose similar to the WCHA, then the court shall direct the distribution of its assets lawfully available for distribution to the Treasurer of the State of Texas to be added to the general fund.

ARTICLE III BREED ASSOCIATION ELIGIBILITY

Section 1. Breed Eligibility. The Executive Committee reserves the right to determine if a particular breed or color registry exemplifies the standard of the Western Conformation Horse and, consequently, maintains the right to approve or disapprove eligibility of a particular breed. Any horse registered with an approved western conformation equine breed or color horse association is eligible to exhibit in WCHA events.

ARTICLE IV MEMBERSHIP

Section 1. Membership. Membership in WCHA is a privilege and not a right.

Section 2. Membership Categories. Memberships shall be of three (3) categories; Annual Members (open, non-pro and youth), Life Members, and Founding Life Members.

In addition, the Executive Committee may bestow a non-voting honorary membership, free of fees on any person or business at its discretion.

Section 3. Membership Terms, Obligations and Rights. Membership shall be open to any person of any state or country interested in promoting the conformation horse. The Executive Committee may deny membership to anyone deemed to be of not of good character.

Any person having joined this association shall thereby become subject to the rules and bylaws then in force or later adopted by the association, and shall be subject to discipline, fines, suspension or expulsion from the organization as provided in these bylaws and rules. Any expelled member may be reinstated with the approval of the Executive Committee.

Members shall be entitled to vote, attend the Annual Meeting and special meetings as well as participate in any WCHA events, subject to payment of any associated fees. To exhibit in any WCHA event, the exhibitor must have an individual membership.

- Founding Memberships established in the name of a joint, assumed or trade names, corporate, partnership (general or limited), syndicate or joint venture or decedent's estate, trust, guardianship or other custodial legal entity shall have the right to designate one individual to vote and exhibit as if they had an individual membership. Such designation is for the life of the membership.

Section 4. Transferability. A joint, assumed or trade names, corporate, partnership (general or limited), syndicate or joint venture or decedent's estate, trust, guardianship or other custodial legal entity membership shall have the right of survivorship to spouses.

Section 5. Membership in Good Standing, Due Diligence and Disciplinary

Action.

For voting privileges, member in good standing is defined as one having paid dues for the current membership year, or founding or life member, and has not been suspended or expelled.

Members of the Association shall be admitted, denied, retained, disciplined, fined, suspended and expelled in accordance with such rules as the Executive Committee may, from time to time adopt.

When any member(s) of the association shall be accused of any acts or practices which may be deemed just cause for discipline, fine, suspension or expulsion from the association, said person(s) shall be entitled to a full, fair and impartial hearing before the Judicial Committee of the organization where she/he shall be faced by his accuser or be permitted to examine all evidence offered in support of the charge by the accuser or others and where she/he shall be given full opportunity to refute such evidence, but upon being adjudged guilty of the practice as charged and worthy of discipline, fine, suspension or expulsion by affirmative vote of a majority of the Judicial Committee eligible to vote, she/he shall forthwith be so expelled.

Section 6. Failure to Pay. Any member or non-member may be suspended and denied privileges of the WCHA by the Executive Committee of the WCHA for failure to pay when due any obligation owing to the WCHA or to an approved event or for giving a worthless check for entry fees, stall fees, office charges, feed bills incurred at the WCHA approved event or any fees or charges including bank charges for returned check connected with the exhibition of WCHA entries; provided, however, that fifteen (15) days before action by written notice of account due and the intention to suspend or withholding privileges of the WCHA shall be mailed to such member or non-member. Upon suspension, the name of the member or non-member may be published in the WCHA newsletter or other such publication beginning with the next available issue from date of suspension. Any suspension and denial of privileges under this section shall terminate upon full payment of the obligation due the WCHA or WCHA approved event management. Event management must notify the WCHA office of any uncollectible accounts due within 30 days of the closing of the show.

Section 7. Right to Use Likeness. As reciprocal assistance to WCHA for privilege of membership, and participation in approved events, the WCHA may use any photograph or other form of likeness reproductions of a member, event participant, horse owner, or their horses including names of such, to promote WCHA's objectives and activities including, but not limited to, use by third parties with authorization from WCHA.

Section 8. Non-Voting Affiliates. The Executive Committee may approve classes of non-voting affiliates with rights, privileges, and obligations established by the Board. Affiliates may be individuals, businesses, and other organizations that seek to support the mission of the Association. The Board, a designated committee of the Board, or any duly elected officer in accordance with Board policy, shall have authority to admit any individual or organization as an affiliate, to recognize representatives of affiliates, and to make determinations as to affiliates'

rights, privileges, and obligations. At no time shall affiliate information be shared with or sold to other organizations or groups without the affiliate's consent. At the discretion of the Executive Committee, affiliates may be given endorsement, recognition and media coverage at fundraising activities, clinics, other events or at the Association website. Affiliates have no voting rights, and are not members of the Association.

- a. Any dues for affiliates shall be determined by the Executive Committee.

ARTICLE V

MEMBERSHIP APPLICATION, EFFECTIVE DATE AND DUES

Section 1. Effective Date. Memberships begin the day the membership is received in the WCHA office or at a WCHA event, unless clearly designated that the membership is for an upcoming year. Annual memberships are effective until the end of the calendar year for which the membership has been paid.

Section 2. Dues. Membership fees are set by the Executive Committee. It is the responsibility of the members to read all rules and to understand when the membership becomes effective. Annual Membership dues to be set and published as appropriate and are subject to change as determined by the Executive Committee.

Section 3. Additional Fees. The Executive Committee may set other fees associated with membership at their discretion.

ARTICLE VI

BOARD OF DIRECTORS & OFFICERS OF THE WCHA

Section 1. Board of Directors. All corporate powers shall be exercised by or under the authority of the Board of Directors and the affairs of the WCHA shall be managed under the direction of the Board, except as otherwise provided by law.

Section 2. Officers. The officers of the Association shall be a President, President-Elect, Immediate Past-President, 2nd Past President, Secretary, Treasurer, and two (2) duly elected members of the Board of Directors, all of whom shall be chosen by, and serve at the pleasure of the Board of Directors, herein known as the Executive Committee. The day-to-day business and property of the WCHA shall be managed by the Executive Committee.

- a. The Director vacancies created by electing two (2) Directors to the Executive Committee will be backfilled by a special vote of the membership

Each Executive Committee officer, unless stated otherwise, shall have the authority and shall perform the duties set forth in these Bylaws or by resolution of the Board or by direction of an

officer authorized by the Board to prescribe the duties and authority of other officers. The Board may also appoint additional officers as it deems expedient for the proper conduct of the business of the Association, each of whom shall have such authority and shall perform such duties as the Board of Directors may determine. One person may hold two or more Board offices, but no Board officer may act in more than one capacity where action of two or more officers is required.

Section 3 Term of Office. Each officer shall serve a one-year term of office. Each Board officer's term of office shall begin upon the adjournment of the Board meeting at which elected and shall end upon the adjournment of the Board meeting during which a successor is elected.

Section 4 Removal and Resignation. The Board of Directors may remove an officer at any time, with or without cause. Any officer may resign at any time by giving written notice to the Association without prejudice to the rights, if any, of the Association under any contract to which the officer is a party. Any resignation shall take effect at the date of the receipt of the notice or at any later time specified in the notice, unless otherwise specified in the notice. The acceptance of the resignation shall not be necessary to make it effective.

Section 5 President/Board Chairperson. The President shall lead the Board of Directors in performing its duties and responsibilities, including, if present, presiding at all meetings of the Board of Directors, and shall perform all other duties incident to the office or properly required by the Board of Directors. The President will vote only in the event of a tie vote by either the Board of Directors or the Executive Committee.

The President's term will be one (1) year, and at the end of that term, the President Elect will automatically be elevated to President at the designated Annual Meeting.

Section 6 President-Elect. In the absence or disability of the Board President, the President-Elect shall perform the duties of the Board President. When so acting, the President-Elect shall have all the powers of and be subject to all the restrictions upon the Board President. The President-Elect shall have such other powers and perform such other duties prescribed for them by the Board of Directors or the Board President. The President-Elect shall normally accede to the office of Board President upon the completion of the Board President's term of office. The President-Elect will retain full voting privileges during a Board of Directors meeting and during an Executive Board meeting, unless presiding over said meeting.

The President Elect shall be recommended by the Executive Committee and elected by majority vote of the Board of Directors at the designated Annual Meeting and will serve a one (1) year term.

Section 7 Executive Secretary. The Executive Secretary shall keep or cause to be kept a book of minutes of all meetings and actions of Directors and committees of Directors. The minutes of each meeting shall state the time and place that it was held and such other information as shall be necessary to determine the actions taken and whether the meeting was held in accordance with the law and these Bylaws. The Executive Secretary shall cause notice to be given of all meetings of Directors and committees as required by the Bylaws. The Executive Secretary shall have such

other powers and perform such other duties as may be prescribed by the Board of Directors or the Board President. The Executive Secretary may appoint, with approval of the Board, a Director to assist in performance of all or part of the duties of the Administrative Consultant. The Executive Secretary is not given the right to vote during a Board of Directors meeting nor during an Executive Board meeting.

Section 8 Immediate Past President. The Immediate Past President shall offer consistency and guidance to the President, and shall have all rights as other duly-elected Executive Committee Members and shall have such other powers and perform such other duties prescribed for them by the Board of Directors or the Board President. Immediate Past President will retain full voting privileges during a Board of Directors meeting and during an Executive Board meeting.

Section 9 2nd Past President. The 2nd Past President shall offer consistency and guidance to the Executive Board, and shall have all rights as other duly-elected Executive Committee Members and shall have such other powers and perform such other duties prescribed for them by the Board of Directors or the Board President. 2nd Past President will retain full voting privileges during a Board of Directors meeting and during an Executive Board meeting

Section 10 Treasurer. The Treasurer shall be responsible for the oversight of the financial condition and affairs of the Association. The Treasurer shall oversee and keep the Board informed of the financial condition of the Association and of audit or financial review results. In conjunction with other Directors or officers, the Treasurer shall oversee budget preparation and shall ensure that appropriate financial reports, including an account of major transactions and the financial condition of the Association, are made available to the Board of Directors on a timely basis or as may be required by the Board of Directors. The Treasurer shall perform all duties properly required by the Board of Directors or the President. The Treasurer may appoint, with approval of the Board a qualified fiscal agent or member of the staff to assist in performance of all or part of the duties of the Treasurer. The Treasurer, unless an elected Board Member, is not given the right to vote during a Board of Directors meeting nor during an Executive Board meeting.

Section 11 Non-Director Officers. The Board of Directors may designate additional officer positions of the Association and may appoint and assign duties to other non-Director officers of the Association. Non-director Officers are not given the right to vote during a Board of Directors meeting nor during an Executive Board meeting.

Section 12. Regional Representation. The Board of Directors will be elected from four (4) regional geographical areas outlined below.

Region I: WA, ID, OR, NV, CA, AK, HI, UT, AZ, MT, WY, NM, CO, Saskatchewan, Alberta and British Columbia, Canada

Region II: SD, ND, TX, LA, Mexico, NE, KS, OK, AR, MS, AL

Region III: WI, IL, MO, IN, MI, OH, KY, TN, IA, MN, PA, Manitoba, Canada

Region IV: FL, GA, SC, NC, WV, PA, ME, VT, NH, MA, RI, NY, NJ, DE, MD, CT, DC, VA and Ontario, Canada

Consideration to establishing an International Region will be given upon reaching critical mass as determined by the Executive Committee and recommended to the Board of Directors for approval.

Section 13. Regional Director Representation. Each region will be represented by four (4) Directors: no less than one (1) Owner/Breeder, and no less than one (1) Professional/Judge/Industry Service Provider.

- a. Owner/Breeder.** The Owners/Breeders should own at least one (1) horse, or breed at least one (1) horse per year, and not train or breed horses for the public or receive remuneration for instructing individuals, or hold an accredited judges card with a major equine breed association, such as WCHA, Quarter Horse, Paint, Pinto, Buckskin or Palomino. The Executive Committee reserves the right to make the final determination as to what constitutes a major equine breed association or an Industry Service Provider.
- b. Professional/Judge/Industry Service Provider.** The Professional/Judge/Industry Service Provider should make a living training or breeding horses for the public or instructing individuals for remuneration and/or hold an accredited judges card with a major equine breed association, such as WCHA, Quarter Horse, Paint, Pinto, Buckskin or Palomino or work in an industry related business, such as veterinarian, farm manager, etc. The Executive Committee reserves the right to make the final determination as to what constitutes a major equine breed association or whose occupation is industry service provider related and approved by the Executive Committee.

Section 14. Past Presidents. After serving their term on the Executive Committee, a Past President shall automatically become a Lifetime Director-at-Large with all the rights of a member of the Board of Directors.

Section 15. Director Classification. The Nominating Committee will determine the classification of any present or future Board Member as described in Article VI, Section 13.

Section 16. Terms

- a.** All directors shall be elected to serve no less than a three-year term, however the term may be extended until a successor has been elected. (exception: Past Presidents)
- b.** Director terms shall be staggered so that approximately one third of the number of directors will end their terms in any given year.
- c.** The term of office shall be considered to begin immediately following the General Membership Meeting and end immediately following the General Membership meeting after the third year in office, unless or until such time as a successor has been elected.

Section 17. Qualifications and Election of Directors. To be eligible to serve as a director on the Board of Directors, the individual must be 18 years of age and an affiliate within affiliate classifications created by the Board of Directors. The individual must reside within the region they will represent.

Section 18 Vacancies. The President may fill vacancies due to resignation, death, or removal of Directors or may appoint a Director to fill a previously unfilled board position, subject to the maximum number of directors under these Bylaws.

Section 19 Removal of Directors. A director may be removed by two-thirds vote of the Board of Directors then in office, if:

- a. the Director is absent and unexcused from two or more meetings of the Board of Directors in a twelve month period. The Board President is empowered to excuse directors from attendance for a reason deemed adequate by the Board President. The President shall not have the power to excuse him/herself from the board meeting attendance and in that case, the Board President-Elect shall excuse the President. Or:
- b. for cause or no cause, if before any meeting of the board at which a vote on removal will be made the Director in question is given electronic or written notification of the Board's intention to discuss her/his case and is given the opportunity to be heard at a meeting of the Board.

Section 20 Compensation for Board Service. Directors shall receive no compensation for carrying out their duties as directors. The board may adopt policies providing for reasonable reimbursement of directors for expenses incurred in conjunction with carrying out board responsibilities.

Section 21. Compensation for Professional Services by Directors. Directors are not restricted from being remunerated for professional services provided to the Association. Such remuneration shall be reasonable and fair to the Association and must be reviewed and approved in accordance with the board Conflict of Interest policy and state law.

ARTICLE VII NOMINATIONS AND ELECTION

Section 1. Nominating Committee. The Executive Committee shall appoint a Nominating Committee from the Board of Directors at least ninety (90) days prior to the designated Annual Meeting. The Nominating Committee should consist of no more than five (5) people, and no less than three (3) people.

Section 2. Membership Nominating Recommendations. The Nominating Committee will accept recommendations, and applications from all members interested in being considered for the Board of Directors, starting ninety (60) days prior to the designated Annual Meeting. The Nominating Committee, will nominate one (1) Director candidate for each vacancy, and one (1) candidate designated as a back-up should the first candidate selected turn down the opportunity to be nominated or a newly elected Director becomes elected to the Executive Committee.

Ballots: Each nomination will be accompanied by a write-in opportunity on the voting ballot.

Section 3. Proposed Slate of Board of Directors. All current members will be eligible to vote for the Board of Directors. Ballots will be prepared with the nominee for each open position and will be accompanied by a write-in opportunity on the voting ballot. Ballots will be distributed by US mail and/or electronically 45 days in advance of the designated Annual Meeting date and must be returned to the WCHA office within fifteen (15) days of the designated Annual Meeting date. Each member will be able to vote for open Director vacancies in all regions.

The voting results will be reported by the Executive Secretary to those members in attendance at the Annual Meeting.

ARTICLE VIII ORDER OF BUSINESS

Section 1. Business Meeting Protocol. The business meetings of the WCHA shall be conducted under “Robert’s Rules of Order, newly revised”. Parliamentary procedure shall be used as outlined by “Roberts Rules of Order, newly revised” in all cases where applicable; however, failure to follow parliamentary procedure shall not invalidate any action of the organization.

Section 2 Types of Meetings

a. Regular Meetings. The Board of Directors shall have a minimum of four (4) regular meetings each calendar year at times and places fixed by the board. Board meetings shall be held upon four (4) days’ notice by first-class mail, electronic mail, or facsimile transmission or forty-eight (48) hours’ notice delivered personally or by telephone. If sent by mail, facsimile transmission, or electronic mail, the notice shall be deemed to be delivered upon its deposit in the mail or transmission system. Notice of meetings shall specify the place, day, and hour of meeting. The purpose of the meeting need not be specified.

b. Special Meetings. Special meetings of the board may be called by any member of the Executive Committee, or any two (2) Directors of the Board of Directors. A special meeting must be preceded by at least 2 days’ notice to each director of the date, time, and place, but not necessarily the purpose, of the meeting.

c. Waiver of Notice. Any director may waive notice of any meeting, in accordance with Texas law.

Section 3. Manner of Acting.

a. Quorum. A majority of the Directors in office immediately before a meeting shall constitute a quorum for the transaction of business at that meeting of the board. No business shall be considered by the Board at any meeting at which a quorum is not present.

b. Majority Vote. Except as otherwise required by law or by the Articles of Incorporation, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

c. Hung Board Decisions. On the occasion that Directors are unable to make a decision based on a tied number of votes, the President or presiding officer shall have the power to swing the vote based on his/her discretion.

d. Participation. Except as required otherwise by law, the Articles of Incorporation, or these Bylaws, Directors may participate in a regular or special meeting through the use of any means of communication by which all Directors participating may simultaneously hear each other during the meeting, including in person, internet video meeting or by telephonic conference call.

ARTICLE IX COMMITTEES

Section 1 Committees. The Executive Committee may, by the resolution adopted by a majority then in office, designate one or more additional ad-hoc or standing committees, each consisting of two or more Directors. Any committee, to the extent provided in the resolution of the Board, shall have autonomy to conduct committee business, except that no committee, regardless of Board resolution, may:

a. take any final action on matters which also requires Board members' approval or approval of a majority of all members;

b. fill vacancies on the Board of Directors or in any committee which has the authority of the Board;

c. amend or repeal Bylaws or adopt new Bylaws;

d. amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable;

- e. appoint any other committees of the Board of Directors or the members of these committees;
- f. expend corporate funds to support a nominee for Director; or
- g. approve any transaction;
 - (i) to which the Association is a party and one or more Directors have a material financial interest; or
 - (ii) between the Association and one or more of its Directors or between the Association or any person in which one or more of its Directors have a material financial interest.

Section 2 Meetings and Action of Committees. Meetings and action of the committees shall be governed by and held and taken in accordance with, the provisions of Article VIII of these Bylaws concerning meetings of the Directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of the committee may also be called by resolution of the Executive Board or the Board of Directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules for the governing of the committee not inconsistent with the provision of these Bylaws.

Section 3 Informal Action By The Board of Directors. Any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if consent in writing, setting forth the action so taken, shall be agreed by the consensus of a quorum. For purposes of this section an e-mail transmission from an e-mail address on record constitutes a valid writing. The intent of this provision is to allow the Board of Directors to use email to approve actions, as long as a quorum of Board members gives consent.

ARTICLE X

CONTRACTS, CHECKS, LOANS, INDEMNIFICATION AND RELATED MATTERS

Section 1. Contracts and other Writings. Except as otherwise provided by resolution of the Board or Board policy, all contracts, deeds, leases, mortgages, grants, and other agreements of the Association shall be executed on its behalf by the Treasurer or other persons to whom the Association has delegated authority to execute such documents in accordance with policies approved by the Board.

Section 2. Checks, Drafts. All checks, drafts, or other orders for payment of money, notes, or

other evidence of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents, of the Association and in such manner as shall from time to time be determined by resolution of the Board.

Section 3. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depository as the Board or a designated committee of the Board may select.

Section 4. Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by resolution of the Board. Such authority may be general or confined to specific instances.

Section 5 Indemnification

a. Mandatory Indemnification. The Association shall indemnify a Director or former Director, who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he or she is or was a Director of the Association against reasonable expenses incurred by him or her in connection with the proceedings.

b. Permissible Indemnification. The Association shall indemnify a Director or former Director made a party to a proceeding because he or she is or was a Director of the Association, against liability incurred in the proceeding, if the determination to indemnify him or her has been made in the manner prescribed by the law and payment has been authorized in the manner prescribed by law.

c. Advance for Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of (I) a written affirmation from the Director, officer, employee or agent of his or her good faith belief that he or she is entitled to indemnification as authorized in this article, and (II) an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association in these Bylaws.

d. Indemnification of Officers, Agents and Employees. An officer of the Association who is not a Director is entitled to mandatory indemnification under this article to the same extent as a Director. The Association may also indemnify and advance expenses to an employee or agent of the Association who is not a Director, consistent with Texas Law and public policy, provided that such indemnification, and the scope of such indemnification, is set forth by the general or specific action of the Board or by contract.

ARTICLE XI

MISCELLANEOUS

Section 1. Books and Records. The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of all meetings of its Board of Directors, a record of all actions taken by Board of Directors without a meeting, and a record of all actions taken by committees of the Board. In addition, the Association shall keep a copy of the Association's Articles of Incorporation and Bylaws as amended to date.

Section 2. Fiscal Year. The fiscal year of the Association shall be from January 1 to December 31 of each year.

Section 3. Conflict of Interest. The Board shall adopt and periodically review a conflict of interest policy to protect the Association's interest when it is contemplating any transaction or arrangement which may benefit any Director, officer, employee, affiliate, or member of a committee with Board-delegated powers.

Section 4. Nondiscrimination Policy. The officers, Directors, committee members, employees, and persons served by this Association shall be selected entirely on a nondiscriminatory basis with respect to age, sex, race, religion, national origin, and sexual orientation. It is the policy of WCHA, not to discriminate on the basis of race, creed, ancestry, marital status, gender, sexual orientation, age, physical disability, veteran's status, political service or affiliation, color, religion, or national origin.

Section 5. Bylaw Amendment. These Bylaws may be amended, altered, repealed, or restated by a vote of the majority of the Board of Directors at a meeting of the Board, provided, however,

- a. that no amendment shall be made to these Bylaws which would cause the Association to cease to qualify as an exempt Association under Section 501(c) of the Internal Revenue Code of 1986, or the corresponding section of any future Federal tax code; and,
- b. that an amendment does not affect the voting rights of Directors. An amendment that does affect the voting rights of Directors further requires ratification by a two-thirds vote of a quorum of Directors at a Board meeting.
- c. that all amendments be consistent with the Articles of Incorporation.

ARTICLE XII COUNTERTERRORISM AND DUE DILIGENCE POLICY

Section 1. In furtherance of its exemption by contributions to other organizations, domestic or foreign, WCHA. shall stipulate how the funds will be used and shall require the recipient to provide the Association with detailed records and financial proof of how the funds were utilized.

Although adherence and compliance with the US Department of the Treasury's publication the "Voluntary Best Practice for US. Based Charities" is not mandatory, WCHA willfully and voluntarily recognizes and puts to practice these guidelines and suggestions to reduce, develop, re-evaluate and strengthen a risk-based approach to guard against the threat of diversion of charitable funds or exploitation of charitable activity by terrorist organizations and their support networks.

WCHA shall also comply and put into practice the federal guidelines, suggestion, laws and limitation set forth by pre-existing U.S. legal requirements related to combating terrorist financing, which include, but are not limited to, various sanctions programs administered by the Office of Foreign Assets Control (OFAC) in regard to its foreign activities.

ARTICLE XIII

CODES OF ETHICS AND WHISTLEBLOWER POLICY

Section 1. Purpose. WCHA requires and encourages Directors, officers and employees to observe and practice high standards of business and personal ethics in the conduct of their duties and responsibilities. The employees and representatives of the Association must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. It is the intent of WCHA to adhere to all laws and regulations that apply to the Association and the underlying purpose of this policy is to support the Association's goal of legal compliance. The support of all corporate staff is necessary to achieving compliance with various laws and regulations.

Section 2. Reporting Violations. If any Director, officer, staff or employee reasonably believes that some policy, practice, or activity of WCHA is in violation of law, a written complaint must be filed by that person with the President or the President Elect.

Section 3. Acting in Good Faith. Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false shall be viewed as a serious disciplinary offense.

Section 4. Retaliation. Said person is protected from retaliation only if she/he brings the alleged unlawful activity, policy, or practice to the attention of WCHA and provides the WCHA with a reasonable opportunity to investigate and correct the alleged unlawful activity. The protection described below is only available to individuals that comply with this requirement.

WCHA shall not retaliate against any Director, officer, staff or employee who in good faith, has made a protest or raised a complaint against some practice of WCHA or of another individual or entity with whom WCHA has a business relationship, on the basis of a reasonable belief that the practice is in violation of law, or a clear mandate of public policy.

WCHA shall not retaliate against any Director, officer, staff or employee who disclose or threaten to disclose to a supervisor or a public body, any activity, policy, or practice of WCHA that the individual reasonably believes is in violation of a law, or a rule, or regulation mandated pursuant to law or is in violation of a clear mandate of public policy concerning the health, safety, welfare, or protection of the environment.

Section 5. Confidentiality. Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Section 6. Handling of Reported Violations. The Executive Secretary shall notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days of receipt of notification. All reports shall be promptly investigated by the appropriate committee(s) and appropriate corrective action shall be taken if warranted by the investigation.

This policy shall be made available to all Directors, officers, staffs or employees and they shall have the opportunity to ask questions about the policy.

ARTICLE XIV AMENDMENT OF Articles of Incorporation

Section 1 Amendment. Any amendment to the Articles of Incorporation may be adopted by approval of two-thirds (2/3) of the Board of Directors.

THE WORLD CONFORMATION HORSE ASSOCIATION

ARTICLE I NAME

Section 1. Corporation. The name of this organization shall be the World Conformation Horse Association. The business of the Corporation may be conducted as World Conformation Horse Association, herein referred to as the Association or “WCHA”.

ARTICLE II MISSIONS AND POWERS

Section 1. The WCHA is a non-profit Association and shall be operated to unite for the purpose of stimulating interest in and competitive opportunities for enthusiasts of the conformation horse, while protecting the integrity of the horse through responsible stewardship within the meaning of Section ~~501(c)(6)~~ 501(c) of the Internal Revenue Code of 1986, or the corresponding section of any future Federal tax code.

Commented [WU1]: All references to 501(c)(6) is now listed as 501(C).

WCHA strives to preserve and promote the value of correct conformation in the equine industry.

WCHA believes that correct conformation serves as the foundation to the horse’s ability to successfully perform in any discipline.

WCHA is committed to protecting, preserving, and promoting the conformation standard of the horse and constantly pursuing growth in our industry.

To maximize impact on current efforts, WCHA may seek to collaborate with other non-profit organizations which fall under the ~~501(c)(6)~~ 501(c) section of the internal revenue code and are operated exclusively for ~~educational, agricultural, and charitable~~ educational, agricultural, and/or charitable purposes.

Commented [WU2]: Included “agricultural”. Note that this statement says “may” so this is not to infer that the WCHA seek collaboration “only” with Non-profit organizations

At times, per the discretion of the Executive Committee, WCHA may provide internships or volunteer opportunities which shall provide opportunities for involvement in said activities and programs in order to have a greater impact for change.

Section 2 Powers. The WCHA shall have the power, directly or indirectly, alone or in conjunction or cooperation with others, to do any and all lawful acts which may be necessary or convenient to affect the ~~charitable~~ charitable purposes for which the Association is organized, and to aid or assist other organizations or persons whose activities further accomplish, foster, or attain such purposes. The powers of the Association may include, but not be limited to, the acceptance of contributions from the public and private sectors, whether financial or in-kind contributions.

Commented [WU3]: Deleted “charitable” references

Section 3 Nonprofit Status and Exempt Activities Limitation.

a. Nonprofit Legal Status. WCHA is a Texas non-profit public benefit Association, recognized as tax exempt under Section ~~501e.(6)~~ 501(c) of the United States Internal Revenue Code.

b. Exempt Activities Limitation. Notwithstanding any other provision of these Bylaws, no Director, officer, employee, member, or representative of this Association shall take any action or carry on any activity by or on behalf of the Association not permitted to be taken or carried on by an organization exempt under Section ~~501e.(6)~~ 501(c) of the Internal Revenue Code as it now exists or may be amended, or by any organization contributions to which are deductible under Section 170c.(2) of such Code and Regulations as it now exists or may be amended. No part of the net earnings of the Association shall inure to the benefit or be distributable to any Director, officer, member, or other private person, except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in the Articles of Incorporation and these Bylaws.

c. Distribution Upon Dissolution. Upon termination or dissolution of the WCHA, any assets lawfully available for distribution shall be distributed to one (1) or more qualifying organizations described in Section ~~501e.(6)~~ 501(c) of the 1986 Internal Revenue Code (or described in any corresponding provision of any successor statute) which organization or organizations have a charitable purpose which, at least generally, includes a purpose similar to the terminating or dissolving Association.

The organization to receive the assets of the WCHA hereunder shall be selected in the discretion of a majority of the managing body of the Association, and if its members cannot so agree, then the recipient organization shall be selected pursuant to a verified petition in equity filed in a court of proper jurisdiction against the WCHA, by one (1) or more of its managing body which verified petition shall contain such statements as reasonably indicate the applicability of this section. The court upon a finding that this section is applicable shall select the qualifying organization or organizations to receive the assets to be distributed, giving preference if practicable to organizations located within the State of Texas.

In the event that the court shall find that this section is applicable but that there is no qualifying organization known to it which has a charitable purpose, which, at least generally, includes a purpose similar to the WCHA, then the court shall direct the distribution of its assets lawfully available for distribution to the Treasurer of the State of Texas to be added to the general fund.

ARTICLE III BREED ASSOCIATION ELIGIBILITY

Section 1. Breed Eligibility. The Executive Committee reserves the right to determine if a particular breed or color registry exemplifies the standard of the Western Conformation Horse and, consequently, maintains the right to approve or disapprove eligibility of a particular breed. Any horse registered with an approved western conformation equine breed or color horse association is eligible to exhibit in WCHA events.

ARTICLE IV MEMBERSHIP

Section 1. Membership. Membership in WCHA is a privilege and not a right.

Section 2. Membership Categories. Memberships shall be of three (3) categories; Annual Members (open, non-pro and youth), Life Members, and Founding Life Members.

Commented [WU4]: There are only 3 purchasable memberships.

In addition, the Executive Committee may bestow a non-voting honorary membership, free of fees on any person or business at its discretion.

Section 3. Membership Terms, Obligations and Rights. Membership shall be open to any person of any state or country interested in promoting the conformation horse. The Executive Committee may deny membership to anyone deemed to be of not of good character and reputation.

Commented [WU5]: Changed per recommendation

Any person having joined this association shall thereby become subject to the rules and bylaws then in force or later adopted by the association, and shall be subject to discipline, fines, suspension or expulsion from the organization as provided in these bylaws and rules. Any expelled member may be reinstated with the approval of the Executive Committee.

Members shall be entitled to vote, attend the Annual Meeting and special meetings as well as participate in any WCHA events, subject to payment of any associated fees. To exhibit in any WCHA event, the exhibitor must have an individual membership.

- Founding Memberships established in the name of a joint, assumed or trade names, corporate, partnership (general or limited), syndicate or joint venture or decedent's estate, trust, guardianship or other custodial legal entity shall have the right to designate one individual to vote and exhibit as if they had an individual membership. Such designation is for the life of the membership.

Section 4. Transferability. A joint, assumed or trade names, corporate, partnership (general or limited), syndicate or joint venture or decedent's estate, trust, guardianship or other custodial legal entity membership shall have the right of survivorship to spouses.

Section 5. Membership in Good Standing, Due Diligence and Disciplinary Action.

For voting privileges, member in good standing is defined as one having paid dues for the current membership year, or founding or life member, and has not been suspended or expelled.

Members of the Association shall be admitted, denied, retained, disciplined, fined, suspended and expelled in accordance with such rules as the Executive Committee may, from time to time adopt.

When any member(s) of the association shall be accused of any acts or practices which may be deemed just cause for discipline, fine, suspension or expulsion from the association, said person(s) shall be entitled to a full, fair and impartial hearing before the Judicial Committee of the organization where she/he shall be faced by his accuser or be permitted to examine all evidence offered in support of the charge by the accuser or others and where she/he shall be given full opportunity to refute such evidence, but upon being adjudged guilty of the practice as charged and worthy of discipline, fine, suspension or expulsion by affirmative vote of a majority of the Judicial Committee eligible to vote, she/he shall forthwith be so expelled.

Section 6. Failure to Pay. Any member or non-member may be suspended and denied privileges of the WCHA by the Executive Committee of the WCHA for failure to pay when due any obligation owing to the WCHA or to an approved event or for giving a worthless check for entry fees, stall fees, office charges, feed bills incurred at the WCHA approved event or any fees or charges including bank charges for returned check connected with the exhibition of WCHA entries; provided, however, that fifteen (15) days before action by written notice of account due and the intention to suspend or withholding privileges of the WCHA shall be mailed to such member or non-member. Upon suspension, the name of the member or non-member may be published in the WCHA newsletter or other such publication beginning with the next available issue from date of suspension. Any suspension and denial of privileges under this section shall terminate upon full payment of the obligation due the WCHA or WCHA approved event management. Event management must notify the WCHA office of any uncollectible accounts due within 30 days of the closing of the show.

Section 7. Right to Use Likeness. As reciprocal assistance to WCHA for privilege of membership, and participation in approved events, the WCHA may use any photograph or other form of likeness reproductions of a member, event participant, horse owner, or their horses including names of such, to promote WCHA's objectives and activities including, but not limited to, use by third parties with authorization from WCHA.

Section 8. Non-Voting Affiliates. The Executive Committee may approve classes of non-voting affiliates with rights, privileges, and obligations established by the Board. Affiliates may be individuals, businesses, and other organizations that seek to support the mission of the Association. The Board, a designated committee of the Board, or any duly elected officer in accordance with Board policy, shall have authority to admit any individual or organization as an

Commented [WU6]: "Affiliates have no voting rights...". This is section is not inconsistent. Our affiliates do not have voting privileges (Red Bud, PHBA, APHA, etc.)

affiliate, to recognize representatives of affiliates, and to make determinations as to affiliates' rights, privileges, and obligations. At no time shall affiliate information be shared with or sold to other organizations or groups without the affiliate's consent. At the discretion of the Executive Committee, affiliates may be given endorsement, recognition and media coverage at fundraising activities, clinics, other events or at the Association website. Affiliates have no voting rights, and are not members of the Association.

- a. Any dues for affiliates shall be determined by the Executive Committee.

ARTICLE V

MEMBERSHIP APPLICATION, EFFECTIVE DATE AND DUES

Section 1. Effective Date. Memberships begin the day the membership is received in the WCHA office or at a WCHA event, unless clearly designated that the membership is for an upcoming year. Annual memberships are effective until the end of the calendar year for which the membership has been paid.

Section 2. Dues. Membership fees are set by the Executive Committee. It is the responsibility of the members to read all rules and to understand when the membership becomes effective. Annual Membership dues to be set and published as appropriate and are subject to change as determined by the ~~Board of Directors~~ Executive Committee.

Commented [WU7]: Changed per recommendation

Section 3. Additional Fees. The Executive Committee may set other fees associated with membership at their discretion.

ARTICLE VI

BOARD OF DIRECTORS & OFFICERS OF THE WCHA

Section 1. Board of Directors. All corporate powers shall be exercised by or under the authority of the Board of Directors and the affairs of the WCHA shall be managed under the direction of the Board, except as otherwise provided by law.

Section 2. Officers. The officers of the Association shall be a President, President-Elect, Immediate Past-President, 2nd Past President, ~~Executive~~ Secretary, Treasurer, and two (2) duly elected members of the Board of Directors, all of whom shall be chosen by, and serve at the pleasure of the Board of Directors, herein known as the Executive Committee. The day-to-day business and property of the WCHA shall be managed by the Executive Committee.

Commented [WU8]: Not sure where the observation came in that 2nd Past President isn't listed. It is in Art VI, Sec. 2.

- a. The Director vacancies created by electing two (2) Directors to the Executive Committee will be backfilled by a special vote of the membership

Each Executive Committee officer, unless stated otherwise, shall have the authority and shall

perform the duties set forth in these Bylaws or by resolution of the Board or by direction of an officer authorized by the Board to prescribe the duties and authority of other officers. The Board may also appoint additional officers as it deems expedient for the proper conduct of the business of the Association, each of whom shall have such authority and shall perform such duties as the Board of Directors may determine. One person may hold two or more Board offices, but no Board officer may act in more than one capacity where action of two or more officers is required.

Section 3 Term of Office. Each officer shall serve a one-year term of office, ~~and may not serve more than three (3) consecutive terms of office. Unless unanimously elected by the Board at the end of his/her three (3) year terms or to fill a vacancy in an officer position, e~~Each Board officer's term of office shall begin upon the adjournment of the Board meeting at which elected and shall end upon the adjournment of the Board meeting during which a successor is elected.

Commented [WU9]: Deleted confusing words. The intent was that the 2 elected non-officer EC members not sit for more than 3 years without moving forward to an officer position.

Section 4 Removal and Resignation. The Board of Directors may remove an officer at any time, with or without cause. Any officer may resign at any time by giving written notice to the Association without prejudice to the rights, if any, of the Association under any contract to which the officer is a party. Any resignation shall take effect at the date of the receipt of the notice or at any later time specified in the notice, unless otherwise specified in the notice. The acceptance of the resignation shall not be necessary to make it effective.

Section 5 President/Board Chairperson. The President shall lead the Board of Directors in performing its duties and responsibilities, including, if present, presiding at all meetings of the Board of Directors, and shall perform all other duties incident to the office or properly required by the Board of Directors. The President will vote only in the event of a tie vote by either the Board of Directors or the Executive Committee.

The President's term will be one (1) year, and at the end of that term, the President Elect will automatically be elevated to President at the designated Annual Meeting.

Section 6 President-Elect. In the absence or disability of the Board President, the President-Elect shall perform the duties of the Board President. When so acting, the President-Elect shall have all the powers of and be subject to all the restrictions upon the Board President. The President-Elect shall have such other powers and perform such other duties prescribed for them by the Board of Directors or the Board President. The President-Elect shall normally accede to the office of Board President upon the completion of the Board President's term of office. The President-Elect will retain full voting privileges during a Board of Directors meeting and during an Executive Board meeting, unless presiding over said meeting.

The President Elect shall be recommended by the Executive Committee and elected by majority vote of the Board of Directors at the designated Annual Meeting and will serve a one (1) year term.

Section 7 Executive Secretary. The Executive Secretary shall keep or cause to be kept a book of minutes of all meetings and actions of Directors and committees of Directors. The minutes of each meeting shall state the time and place that it was held and such other information as shall be

necessary to determine the actions taken and whether the meeting was held in accordance with the law and these Bylaws. The Executive Secretary shall cause notice to be given of all meetings of Directors and committees as required by the Bylaws. The Executive Secretary shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Board President. The Executive Secretary may appoint, with approval of the Board, a Director to assist in performance of all or part of the duties of the Administrative Consultant. The Executive Secretary is not given the right to vote during a Board of Directors meeting nor during an Executive Board meeting.

Section 8 Immediate Past President. The Immediate Past President shall offer consistency and guidance to the President, and shall have all rights as other duly-elected Executive Committee Members and shall have such other powers and perform such other duties prescribed for them by the Board of Directors or the Board President. Immediate Past President will retain full voting privileges during a Board of Directors meeting and during an Executive Board meeting.

Commented [WU10]: Clarified difference between elected and appointed EC members as to voting privileges.

Section 9 2nd Past President. The 2nd Past President shall offer consistency and guidance to the Executive Board, and shall have all rights as other duly-elected Executive Committee Members and shall have such other powers and perform such other duties prescribed for them by the Board of Directors or the Board President. 2nd Past President will retain full voting privileges during a Board of Directors meeting and during an Executive Board meeting

Section 10 Treasurer. The Treasurer shall be responsible for the oversight of the financial condition and affairs of the Association. The Treasurer shall oversee and keep the Board informed of the financial condition of the Association and of audit or financial review results. In conjunction with other Directors or officers, the Treasurer shall oversee budget preparation and shall ensure that appropriate financial reports, including an account of major transactions and the financial condition of the Association, are made available to the Board of Directors on a timely basis or as may be required by the Board of Directors. The Treasurer shall perform all duties properly required by the Board of Directors or the President. The Treasurer may appoint, with approval of the Board a qualified fiscal agent or member of the staff to assist in performance of all or part of the duties of the Treasurer. The Treasurer, unless an elected Board Member, is not given the right to vote during a Board of Directors meeting nor during an Executive Board meeting.

Commented [WU11]: This may be an appointed position, not elected. Appointees are not representing the membership with their actions, whereas elected directors are. Thus, voting on club matters may be inappropriate.

Section 11 Non-Director Officers. The Board of Directors may designate additional officer positions of the Association and may appoint and assign duties to other non-Director officers of the Association. Non-director Officers are not given the right to vote during a Board of Directors meeting nor during an Executive Board meeting.

Section 12. Regional Representation. The Board of Directors will be elected from four (4) regional geographical areas outlined below.

Region I: WA, ID, OR, NV, CA, AK, HI, UT, AZ, MT, WY, NM, CO, Saskatchewan, Alberta and British Columbia, Canada

Region II: SD, ND, TX, LA, Mexico, NE, KS, OK, AR, MS, AL

Region III: WI, IL, MO, IN, MI, OH, KY, TN, IA, MN, PA, Manitoba, Canada

Region IV: FL, GA, SC, NC, WV, PA, ME, VT, NH, MA, RI, NY, NJ, DE, MD, CT, DC, VA and Ontario, Canada

Consideration to establishing an International Region will be given upon reaching critical mass as determined by the Executive Committee and recommended to the Board of Directors for approval.

Section 13. Regional Director Representation. Each region will be represented by four (4)

Directors: no less than one (1) Owner/Breeder, and no less than one (1) Professional/Judge/Industry Service Provider.

a. Owner/Breeder. The Owners/Breeders should own at least one (1) horse, or breed at least one (1) horse per year, and not train or breed horses for the public or receive remuneration for instructing individuals, or hold an accredited judges card with a major equine breed association, such as WCHA, Quarter Horse, Paint, Pinto, Buckskin or Palomino. The Executive Committee reserves the right to make the final determination as to what constitutes a major equine breed association or an Industry Service Provider.

b. Professional/Judge/Industry Service Provider. The Professional/Judge/Industry Service Provider should make a living training or breeding horses for the public or instructing individuals for remuneration and/or hold an accredited judges card with a major equine breed association, such as WCHA, Quarter Horse, Paint, Pinto, Buckskin or Palomino or work in an industry related business, such as veterinarian, farm manager, etc. The Executive Committee reserves the right to make the final determination as to what constitutes a major equine breed association or whose occupation is industry service provider related and approved by the Executive Committee.

Section 14. Past Presidents. After serving their term on the Executive Committee, a Past President shall automatically become a Lifetime Director-at-Large with all the rights of a member of the Board of Directors.

Section 15. Director Classification. The Nominating Committee will determine the classification of any present or future Board Member as described in Article VI, Section 13.

Section 16. Terms

a. All directors shall be elected to serve no less than a three-year term, however the term may be extended until a successor has been elected. (exception: Past Presidents)

b. Director terms shall be staggered so that approximately one third of the number of directors will end their terms in any given year.

Commented [WU12]: Clarified per recommendation

Commented [WU13]: Term limits was purposely deleted. WCHA does not have the depth of membership to rotate directors arbitrarily. Additionally, a good director with experience should not be "retired" if they have the desire, passion, and time to devote to the WCHA.

c. The term of office shall be considered to begin immediately following the General Membership Meeting and end immediately following the General Membership meeting after the third year in office, unless or until such time as a successor has been elected.

Section 17. Qualifications and Election of Directors. To be eligible to serve as a director on the Board of Directors, the individual must be 18 years of age and an affiliate within affiliate classifications created by the Board of Directors. The individual must reside within the region they will represent.

Section 18 Vacancies. The President may fill vacancies due to resignation, death, or removal of Directors or may appoint a Director to fill a previously unfilled board position, subject to the maximum number of directors under these Bylaws.

Commented [RK14]: Is this the case for a Past President vacancy? What about a President Elect vacancy?

Commented [WU15]: Suggest that the President not have the authority to appoint EC vacancies but that this be left to an election/vote by the BOD

Section 19 Removal of Directors. A director may be removed by two-thirds vote of the Board of Directors then in office, if:

a. the Director is absent and unexcused from two or more meetings of the Board of Directors in a twelve month period. The Board President is empowered to excuse directors from attendance for a reason deemed adequate by the Board President. The President shall not have the power to excuse him/herself from the board meeting attendance and in that case, the Board President-Elect shall excuse the President. Or:

b. for cause or no cause, if before any meeting of the board at which a vote on removal will be made the Director in question is given electronic or written notification of the Board's intention to discuss her/his case and is given the opportunity to be heard at a meeting of the Board.

Section 20 Compensation for Board Service. Directors shall receive no compensation for carrying out their duties as directors. The board may adopt policies providing for reasonable reimbursement of directors for expenses incurred in conjunction with carrying out board responsibilities.

Section 21. Compensation for Professional Services by Directors. Directors are not restricted from being remunerated for professional services provided to the Association. Such remuneration shall be reasonable and fair to the Association and must be reviewed and approved in accordance with the board Conflict of Interest policy and state law.

ARTICLE VII NOMINATIONS AND ELECTION

Section 1. Nominating Committee. The Executive Committee shall appoint a Nominating

Committee from the Board of Directors at least ninety (90) days prior to the designated Annual Meeting. The Nominating Committee should consist of no more than five (5) people, and no less than three (3) people.

Section 2. Membership Nominating Recommendations. The Nominating Committee will accept recommendations, and applications from all members interested in being considered for the Board of Directors, starting ninety (60) days prior to the designated Annual Meeting. The Nominating Committee, will nominate one (1) Director candidate for each vacancy, and one (1) candidate designated as a back-up should the first candidate selected turn down the opportunity to be nominated or a newly elected Director becomes elected to the Executive Committee.

Ballots: Each nomination will be accompanied by a write-in opportunity on the voting ballot.

Section 3. Proposed Slate of Board of Directors. All current members will be eligible to vote for the Board of Directors. Ballots will be prepared with the nominee for each open position and will be accompanied by a write-in opportunity on the voting ballot. Ballots will be distributed by US mail and/or electronically 45 days in advance of the designated Annual Meeting date and must be returned to the WCHA office within fifteen (15) days of the designated Annual Meeting date. Each member will be able to vote for open Director vacancies in all regions.

The voting results will be reported by the Executive Secretary to those members in attendance at the Annual Meeting.

ARTICLE VIII ORDER OF BUSINESS

Section 1. Business Meeting Protocol. The business meetings of the WCHA shall be conducted under “Robert’s Rules of Order, newly revised”. Parliamentary procedure shall be used as outlined by “Roberts Rules of Order, newly revised” in all cases where applicable; however, failure to follow parliamentary procedure shall not invalidate any action of the organization.

Section 2 Types of Meetings

a. Regular Meetings. The Board of Directors shall have a minimum of four (4) regular meetings each calendar year at times and places fixed by the board. Board meetings shall be held upon four (4) days’ notice by first-class mail, electronic mail, or facsimile transmission or forty-eight (48) hours’ notice delivered personally or by telephone. If sent by mail, facsimile transmission, or electronic mail, the notice shall be deemed to be delivered upon its deposit in the mail or transmission system. Notice of meetings shall specify the place, day, and hour of meeting. The purpose of the meeting need not be specified.

b. Special Meetings. Special meetings of the board may be called by any member of the Executive Committee, or any two (2) Directors of the Board of Directors. A special meeting must be preceded by at least 2 days' notice to each director of the date, time, and place, but not necessarily the purpose, of the meeting.

c. Waiver of Notice. Any director may waive notice of any meeting, in accordance with Texas law.

Section 3. Manner of Acting.

a. Quorum. A majority of the Directors in office immediately before a meeting shall constitute a quorum for the transaction of business at that meeting of the board. No business shall be considered by the Board at any meeting at which a quorum is not present.

b. Majority Vote. Except as otherwise required by law or by the Articles of Incorporation, the act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

c. Hung Board Decisions. On the occasion that Directors are unable to make a decision based on a tied number of votes, the President or presiding officer shall have the power to swing the vote based on his/her discretion.

d. Participation. Except as required otherwise by law, the Articles of Incorporation, or these Bylaws, Directors may participate in a regular or special meeting through the use of any means of communication by which all Directors participating may simultaneously hear each other during the meeting, including in person, internet video meeting or by telephonic conference call.

ARTICLE IX COMMITTEES

Section 1 Committees. The Executive Committee may, by the resolution adopted by a majority then in office, designate one or more additional ad-hoc or standing committees, each consisting of two or more Directors. Any committee, to the extent provided in the resolution of the Board, shall have autonomy to conduct committee business, except that no committee, regardless of Board resolution, may:

a. take any final action on matters which also requires Board members' approval or approval of a majority of all members;

b. fill vacancies on the Board of Directors of in any committee which has the authority of the Board;

Commented [RK16]: ?? This has been traditionally done by the managing body (President /Executive Committee). To accomplish the objectives described thus far would command a greater time commitment from our 16 Directors. I have great concerns about this expectation. I believe the BOD should function in a traditional sense and provide oversight of the big picture. When concerns arise for the Board there would be a call to action from the committees. And yes, even the Executive Committee.

RRH The EC retains the day-to-day management of the WCHA but this refers to how Committees conduct committee-level business. There are exceptions to their authority as listed; however, all resolutions of a committee must be approved by the EC and the rest of the BOD.

- c. amend or repeal Bylaws or adopt new Bylaws;
- d. amend or repeal any resolution of the Board of Directors which by its express terms is not so amendable or repealable;
- e. appoint any other committees of the Board of Directors or the members of these committees;
- f. expend corporate funds to support a nominee for Director; or
- g. approve any transaction;
 - (i) to which the Association is a party and one or more Directors have a material financial interest; or
 - (ii) between the Association and one or more of its Directors or between the Association or any person in which one or more of its Directors have a material financial interest.

Section 2 Meetings and Action of Committees. Meetings and action of the committees shall be governed by and held and taken in accordance with, the provisions of Article VIII of these Bylaws concerning meetings of the Directors, with such changes in the context of those Bylaws as are necessary to substitute the committee and its members, except that the time for regular meetings of committees may be determined either by resolution of the Board of Directors or by resolution of the committee. Special meetings of the committee may also be called by resolution of the Executive Board or the Board of Directors. Notice of special meetings of committees shall also be given to any and all alternate members, who shall have the right to attend all meetings of the committee. Minutes shall be kept of each meeting of any committee and shall be filed with the corporate records. The Board of Directors may adopt rules for the governing of the committee not inconsistent with the provision of these Bylaws.

Commented [RK17]: Should this be Article VIII
RRH YES!

Section 3 Informal Action By The Board of Directors. Any action required or permitted to be taken by the Board of Directors at a meeting may be taken without a meeting if consent in writing, setting forth the action so taken, shall be agreed by the consensus of a quorum. For purposes of this section an e-mail transmission from an e-mail address on record constitutes a valid writing. The intent of this provision is to allow the Board of Directors to use email to approve actions, as long as a quorum of Board members gives consent.

ARTICLE X

CONTRACTS, CHECKS, LOANS, INDEMNIFICATION AND RELATED MATTERS

Section 1. Contracts and other Writings. Except as otherwise provided by resolution of the Board or Board policy, all contracts, deeds, leases, mortgages, grants, and other agreements of the

Commented [WU18]: Specifics regarding executing contracts is best addressed in the Policy and Procedure Handbook rather than in the Bylaws to allow latitude per contract.

Association shall be executed on its behalf by the Treasurer or other persons to whom the Association has delegated authority to execute such documents in accordance with policies approved by the Board.

Section 2. Checks, Drafts. All checks, drafts, or other orders for payment of money, notes, or other evidence of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents, of the Association and in such manner as shall from time to time be determined by resolution of the Board.

Section 3. Deposits. All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies, or other depository as the Board or a designated committee of the Board may select.

Section 4. Loans. No loans shall be contracted on behalf of the Association and no evidence of indebtedness shall be issued in its name unless authorized by resolution of the Board. Such authority may be general or confined to specific instances.

Section 5 Indemnification

a. Mandatory Indemnification. The Association shall indemnify a Director or former Director, who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which he or she was a party because he or she is or was a Director of the Association against reasonable expenses incurred by him or her in connection with the proceedings.

b. Permissible Indemnification. The Association shall indemnify a Director or former Director made a party to a proceeding because he or she is or was a Director of the Association, against liability incurred in the proceeding, if the determination to indemnify him or her has been made in the manner prescribed by the law and payment has been authorized in the manner prescribed by law.

c. Advance for Expenses. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding, as authorized by the Board of Directors in the specific case, upon receipt of (I) a written affirmation from the Director, officer, employee or agent of his or her good faith belief that he or she is entitled to indemnification as authorized in this article, and (II) an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Association in these Bylaws.

d. Indemnification of Officers, Agents and Employees. An officer of the Association who is not a Director is entitled to mandatory indemnification under this article to the same extent as a Director. The Association may also indemnify and advance expenses to an employee or agent of the Association who is not a Director, consistent with Texas Law and public policy, provided that such indemnification, and the scope of such indemnification, is

set forth by the general or specific action of the Board or by contract.

ARTICLE XI MISCELLANEOUS

Section 1. Books and Records. The Association shall keep correct and complete books and records of account and shall keep minutes of the proceedings of all meetings of its Board of Directors, a record of all actions taken by Board of Directors without a meeting, and a record of all actions taken by committees of the Board. In addition, the Association shall keep a copy of the Association's Articles of Incorporation and Bylaws as amended to date.

Section 2. Fiscal Year. The fiscal year of the Association shall be from January 1 to December 31 of each year.

Section 3. Conflict of Interest. The Board shall adopt and periodically review a conflict of interest policy to protect the Association's interest when it is contemplating any transaction or arrangement which may benefit any Director, officer, employee, affiliate, or member of a committee with Board-delegated powers.

Section 4. Nondiscrimination Policy. The officers, Directors, committee members, employees, and persons served by this Association shall be selected entirely on a nondiscriminatory basis with respect to age, sex, race, religion, national origin, and sexual orientation. It is the policy of WCHA, not to discriminate on the basis of race, creed, ancestry, marital status, gender, sexual orientation, age, physical disability, veteran's status, political service or affiliation, color, religion, or national origin.

Section 5. Bylaw Amendment. These Bylaws may be amended, altered, repealed, or restated by a vote of the majority of the Board of Directors at a meeting of the Board, provided, however,

- a. that no amendment shall be made to these Bylaws which would cause the Association to cease to qualify as an exempt Association under Section ~~501(c)(6)~~ 501(c)(6) of the Internal Revenue Code of 1986, or the corresponding section of any future Federal tax code; and,
- b. that an amendment does not affect the voting rights of Directors. An amendment that does affect the voting rights of Directors further requires ratification by a two-thirds vote of a quorum of Directors at a Board meeting.
- c. that all amendments be consistent with the Articles of Incorporation.

ARTICLE XII COUNTERTERRORISM AND DUE DILIGENCE POLICY

Section 1. In furtherance of its exemption by contributions to other organizations, domestic or foreign, WCHA. shall stipulate how the funds will be used and shall require the recipient to provide the Association with detailed records and financial proof of how the funds were utilized.

Although adherence and compliance with the US Department of the Treasury’s publication the “Voluntary Best Practice for US. Based Charities” is not mandatory, WCHA willfully and voluntarily recognizes and puts to practice these guidelines and suggestions to reduce, develop, re-evaluate and strengthen a risk-based approach to guard against the threat of diversion of charitable funds or exploitation of charitable activity by terrorist organizations and their support networks.

WCHA shall also comply and put into practice the federal guidelines, suggestion, laws and limitation set forth by pre-existing U.S. legal requirements related to combating terrorist financing, which include, but are not limited to, various sanctions programs administered by the Office of Foreign Assets Control (OFAC) in regard to its foreign activities.

ARTICLE XIII CODES OF ETHICS AND WHISTLEBLOWER POLICY

Section 1. Purpose. WCHA requires and encourages Directors, officers and employees to observe and practice high standards of business and personal ethics in the conduct of their duties and responsibilities. The employees and representatives of the Association must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. It is the intent of WCHA to adhere to all laws and regulations that apply to the Association and the underlying purpose of this policy is to support the Association’s goal of legal compliance. The support of all corporate staff is necessary to achieving compliance with various laws and regulations.

Section 2. Reporting Violations. If any Director, officer, staff or employee reasonably believes that some policy, practice, or activity of WCHA is in violation of law, a written complaint must be filed by that person with the President or the President Elect.

Section 3. Acting in Good Faith. Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false shall be viewed as a serious disciplinary offense.

Section 4. Retaliation. Said person is protected from retaliation only if she/he brings the alleged unlawful activity, policy, or practice to the attention of WCHA and provides the WCHA with a reasonable opportunity to investigate and correct the alleged unlawful activity. The protection described below is only available to individuals that comply with this requirement.

WCHA shall not retaliate against any Director, officer, staff or employee who in good faith, has made a protest or raised a complaint against some practice of WCHA or of another individual or entity with whom WCHA has a business relationship, on the basis of a reasonable belief that the practice is in violation of law, or a clear mandate of public policy.

WCHA shall not retaliate against any Director, officer, staff or employee who disclose or threaten to disclose to a supervisor or a public body, any activity, policy, or practice of WCHA that the individual reasonably believes is in violation of a law, or a rule, or regulation mandated pursuant to law or is in violation of a clear mandate of public policy concerning the health, safety, welfare, or protection of the environment.

Section 5. Confidentiality. Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Section 6. Handling of Reported Violations. The Executive Secretary shall notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days of receipt of notification. All reports shall be promptly investigated by the appropriate committee(s) and appropriate corrective action shall be taken if warranted by the investigation.

This policy shall be made available to all Directors, officers, staffs or employees and they shall have the opportunity to ask questions about the policy.

ARTICLE XIV AMENDMENT OF Articles of Incorporation

Section 1 Amendment. Any amendment to the Articles of Incorporation may be adopted by approval of two-thirds (2/3) of the Board of Directors.