

**CONSTITUTION AND BY-LAWS OF THE
NORTH CAROLINA PALOMINO EXHIBITORS ASSOCIATION, INC.
CHARTERED JUNE 1967**

Article I Name, Purpose, Location, Incorporation

Section 1. Name:

This Affiliate Palomino Association hereinafter referred to, as APA shall be called the North Carolina Palomino Exhibitors Association, Inc. The official four or five letter abbreviation shall be NCPEA.

Section 2.

This APA is a non-profit corporation chartered under the laws of the state of North Carolina.

Section 3. Purpose

The purpose of this Association is to improve and foster the breeding, registration and showing of Palomino horses as set in the Articles of Incorporation, and to provide means for improving the Palomino breed and furthering the interest of Palomino owners and breeders through the Palomino Horse Breeders of America, Inc. (herein referred to as PHBA).

Section 4.

There shall be no capital stock, and in lieu thereof, and in lieu of stock certificates, written evidence of membership shall be given to each member upon payment of current dues.

Section 5 - Location:

This APA shall encompass the area or state of North Carolina.

Section 6:

The fiscal year shall be January 1 to December 31.

Article II Membership

Section 1 - Membership:

Any person(s), firm(s), partnership(s), ranch(s), corporation(s), and organization(s) that are genuinely interested in the development and promotion of the Palomino horse shall be eligible to apply for membership in this Association and PHBA and shall become a member thereof upon payment of the proper dues. Concurrent membership in PHBA and NCPEA is required.

Section 2 - Membership Types:

Regular memberships and multiple memberships within a family shall include membership in both NCPEA and PHBA. The membership fee and dues shall be as provided by PHBA. Membership fees are due and payable on or before January 1 of each year and paid directly to PHBA, 15253 East Skelly Drive, Tulsa, OK 74116-2637, (918) 438-1234.

Section 3:

Membership is required with NCPEA and PHBA to hold an elected office.

Section 4 - Associate memberships:

Associate memberships will not be available to out-of state residents.

Section 5 - Meetings:

Meetings of the general membership of the Association shall be held at least twice annually.

Section 6 - Conduct:

It shall be understood that all members of NCPEA will conduct themselves and those persons and/or animals under their control in an appropriate, honorable, and reputable manner, so as not to violate the rights and/or reputation of fellow members or the Association. A violation of these privileges of membership shall warrant action by the Board of Directors according to ROBERTS RULES OF ORDER, REVISED under Chapter XX, the section titled "Disciplinary Procedures".

Article III NCPEA Officers, PHBA Directors, Elections

Section 1 - Officers:

NCPEA Executive Board shall be the following officers: President, Vice- President, Secretary, and Treasurer, who shall be elected by the members of NCPEA. The offices of Secretary and Treasurer may be combined if necessary.

- A. The President may appoint an Assistant Secretary or an Assistant Treasurer, with no voting privileges on the Executive Board.

Section 2- Duties and Power of the Officers:

- A. President: The President shall be the chief executive officer of NCPEA and shall have general direction and charge of the conduct and operation of NCPEA, subject to the authority of the Board of Directors. The President shall have the authority to execute all documents of every nature on NCPEA'S behalf, and shall see that all directives and resolutions of the Board of Directors are carried into effect. She/He shall preside as chairman at all meetings of the members and of the Board of Directors
- B. Vice president: In the absence or inability to act of the President, the Vice President shall perform the duties of the President. She/He shall perform such duties as may be assigned by the President or Board of Directors.
- D. Secretary: The Secretary shall be directly responsible to the President for the operation and management of the business of office. The Secretary shall keep a record of the minutes of NCPEA meetings, state and federal government documents, or any other reports that may be required, and conduct the correspondence of NCPEA. The Secretary shall affix the Seal of the Corporation to all authorized contracts, obligations, and shall attest the same, and give notice of all regular and special meetings to the members of NCPEA, Board of Directors, or Executive Board. The Secretary shall keep a record of all the members and their addresses. All records shall be available for examination by members of the Board of Directors upon request. The Secretary shall in general perform all duties incident to the office of the Secretary, and shall have other powers and duties as conferred upon her/him by the Board of Directors.

- E. Treasurer: The Treasurer shall collect, hold and disburse, under the direction of NCPEA Board of Directors, all monies of NCPEA, keep books or accounts, submit a statement of accounts at the request of the Board of Directors, exhibit a full account of receipts and disbursements during the past fiscal year and file all required local, state, and federal tax reports. The Treasurer shall have the power to sign checks and drafts of the Corporation, with one additional signature of either the President or the Vice-President. The Treasurer shall generally perform all acts incident to the position of Treasurer, and shall have such further powers and duties as shall be conferred upon her/him by the Board of Directors.
- F. Secretary/Treasurer: The Secretary/Treasurer office may be combined into one office if desired by NCPEA membership.

Section 3 - PHBA National and PHBA Alternate National Directors:

At the annual meeting NCPEA shall elect to PHBA as a National Director one Director for its charter, plus an additional Director for each twenty-five (25) members or major fraction thereof as of record on December 31 of the prior year. These Directors may also be Officers and Directors in NCPEA. PHBA National Directors and PHBA Alternate National Directors shall be nominated from the floor at the yearly membership meeting and shall serve for a period of one (1) year and until their successors are elected or qualified.

Section 4 - Elections:

- A. Officers of NCPEA shall be elected annually by the membership of NCPEA from nominees made by a Nomination Committee, and nominations from the floor.
- B. They shall serve for a term of one (1) year or until their successors have been duly elected. The election shall be held each year at a place and date selected by the Executive Board. All elected officials shall assume their duties the day following their election.
- C. The Nomination Committee shall consist of three (3) members appointed by the President. The first named shall serve as the Chairperson. The Nominating Committee shall nominate at least one (1) person for each office to be elected, plus the three (3) positions on the Board of Directors, and the appropriate number of positions available for National and Alternate National Directors. Each person nominated must agree to have her/his name placed in nomination.

Section 5 - Term of Office:

The term of office shall begin the day following their election, or until their successors are elected.

Section 6 - Vacancies:

A Vacancy in the Executive Board or the Board of Directors shall be filled at a regular meeting. A member shall hold office for the un-expired term of his predecessor or until his successor is elected, except for the office of President where the Vice President shall be acting President for the balance of the President's term.

Section 7 - Fidelity Bond:

All officers or members of NCPEA, who may be handling any of the funds of NCPEA, shall be bonded at the expense of NCPEA for the faithful discharge of his/her duties.

Section 8.

NCPEA may recommend the PHBA members to be Inspectors.

Article IV NCPEA Board of Directors

Section 1- Power of the NCPEA Board of Directors:

The business and property of NCPEA shall be managed and controlled by the NCPEA Executive Board and the Board of Directors hereinafter created and empowered. Members of the Board of Directors and the Executive Board may succeed themselves in office but each person must be elected and re-elected individually.

Section 2 - Number of NCPEA Board of Directors:

The Board of Directors shall consist of the Officers of NCPEA and three (3) additional Directors. These shall be the three (3) Executive Directors, one third of whose term shall expire each year. In the event of a vacancy the remaining Directors shall elect a member to serve the remainder of the unexpired term. All NCPEA members who are in good standing are eligible for election.

Section 3 - Officers of NCPEA:

In the absence of the President the Vice President shall serve as Chairman of the Board, voting only to break a tie. The Secretary of NCPEA shall serve as Secretary of the Board. If the Secretary is unavailable for the meeting, the Chairman shall appoint an acting Secretary for that meeting.

Section 4 - Term of Office:

The Executive Directors shall serve for three (3) years, with one director's term expiring each year, beginning the day following their election or until their successors are elected.

Section 5:

The Board of Directors shall make no financial commitments extending beyond their term of office or leave a deficit to be assumed by successors, except in contractual obligations deemed fiscally in the best interest of NCPEA, i.e. show grounds, judges, etc.

Article V NCPEA Executive Board

Section 1:

Executive Board shall consist of the President, Vice President, Secretary and Treasurer of NCPEA. This committee shall serve as the hearing committee for all disciplinary actions and shall also serve as a planning committee to allow for a smoother flow of business and goals between incoming and outgoing Presidents. Recommendations from the Executive Board shall be brought before the Board of Directors for final review and approval.

Article VI Committees

Section 1:

Standing Committees: The President shall appoint committees to help facilitate the operations of NCPEA. (Following are suggested committees, but are not limited to these.)

A. Amateur

- B. Audit
- C. Directory
- D. Newsletter
- E. Show
- F. Ways & Means
- G. Youth

Section 2:

Members of all standing committees shall be members of NCPEA. The duties of all committees shall be such as may be delegated by the President and subject to the authority and approval of the Board of Directors.

Article VII Meetings

Section 1 - Notice of Meetings:

The Secretary shall give notice of the annual and/or regular meetings. The notice shall be mailed, postage prepaid, to the last known address of each member in good standing of NCPEA at least thirty (30) days prior to the meeting, stating time, date and location thereof. Meeting notices are authorized to be called by the President or four members of the Board of Directors anytime they deem necessary.

Section 2 - Special Meetings:

The Secretary shall give notice of special meetings. The notice shall be mailed, postage prepaid, to the last known address of each member in good standing of NCPEA at least five (5) days prior to the meeting, stating time, date and location thereof. Notice of each special meeting shall briefly indicate the subjects or matters of discussion. Special meetings shall be called by the President; or, in his/her absence, a majority of the Executive Board.

Section 3 - Quorum:

The members present at any properly called meeting shall be deemed a quorum for that meeting.

Section 4 - Voting Privileges:

For all voting purposes, only one vote is allotted to each membership and two votes for a joint membership. For the annual meeting, each member whose dues were paid on or before ninety- days (90) prior to the meeting or sixty-days (60) prior to a special meeting may vote.

Section 5 - Board of Directors Meetings:

The Board of Directors may meet as necessary to carry out their duties and responsibilities. They shall meet upon call of the President with at least five (5) days notice. The Board may waive the five (5) day notice by agreeing to do so in writing at the Board meeting.

Article VIII Amendments

Section 1.

The By-Laws of NCPEA may be amended from time to time and shall conform to the By-Laws of PHBA. Any proposal for By-Laws amendments must be submitted to the By-Laws

Committee. All proposed changes shall be reviewed by the committee which shall then make recommendations to the Board of Directors regarding said changes. The Board of Directors shall consider the proposal and report their recommendations to the membership. The proposed changes shall be submitted to the membership in writing at least thirty (30) days prior to the meeting scheduled to vote on the changes. Final and ultimate authority rests with the members of NCPEA. Approval of said amendments to these By-Laws may be made by a vote of two thirds (2/3) of the members of NCPEA present at the meeting and the approval of the PHBA Board of Directors.

Article IX Rules

Section 1.

The Board of Directors is responsible for issuing rules for NCPEA, which are consistent with these By-Laws. The rules, if any, shall be published and distributed to each new member of NCPEA and to existing members upon their request of same.

Section 2.

NCPEA year end awards will be presented only to persons who are residents of North Carolina or to persons designated as members by PHBA from a non-affiliated state.

Article X Section 1.

Robert's Rules of Order-Newly-Revised shall prevail wherever not otherwise provided herein.

Article XI Seal

The Corporate Seal of the Association shall consist of two (2) concentric circles, between which is the name of the Association (North Carolina Palomino Exhibitors Association) and in the center shall be inscribed the words "Corporate Seal".

Article XII Disciplinary Procedure

Section 1:

The provisions for disciplinary procedure for PHBA General Rules shall be utilized for disciplining members of NCPEA. Specifically Violations; Disciplinary Procedure; Suspension; General Notice Procedure; Attorney Fees; Litigation Agreement; where applicable the NCPEA name will be in exchange for PHBA.

Section 2:

Any person who shall accept the privileges extended by NCPEA, including participation in any activities shall be deemed to have given his/her consent of the provisions relating to disciplinary procedures and all other provisions of these By-Laws, and by such consent does agree to abide by and comply with each and every one of the provisions contained therein.

Section 3:

NCPEA automatically suspends any person suspended by the PHBA.

Article XIII Indemnification

Section 1.

Each director, officer, and committee person of NCPEA shall be indemnified by NCPEA against all costs, expenses, and liabilities reasonably incurred by him/her in connection with, or resulting from, any action, suit, or proceeding to which he/she may be made a party by reason of his/her being or having been a director, officer, or committee person of NCPEA, except in relation to matters which shall have been occasioned by the willful misconduct or dishonesty of such an officer, director or committee person. The foregoing indemnification shall cover amounts paid in settlement of any such action, suit, proceeding when such settlement appears to be of the best interest in NCPEA. The foregoing shall be in addition to any other rights to which such directors, officers, or committee person may be entitled as a matter of law.

Article XIV Severability

If any section of any part of these By-Laws or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect the other sections, parts, or applications of these By-Laws which can be given effect without the invalid section of any part, and to this the provisions of these By-Laws are severable.

Article XV Dissolution

Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provisions for the payment of all the liabilities of the corporation, dispose of all the assets of the corporation exclusively to such organization(s) organized and operated exclusively for agricultural purposes as shall at the time qualify as exempt organization (s) under Section 501.c (5) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future US Internal Revenue Law), as the Board of Directors shall determine. The Palomino Horse Breeders of America, Inc. Scholarship Fund, Tulsa, OK is to be given the right of first refusal.