

**AMENDED AND RESTATED BYLAWS  
OF  
NATIONAL REINING HORSE ASSOCIATION**  
*Amended as of August 19, 2019*

**ARTICLE I  
NAME, PURPOSES, AND OFFICE**

1. **Name.** The name of this nonprofit corporation is “National Reining Horse Association” (the “Association”).

2. **Purposes.** Subject to the provisions of the Certificate of Incorporation and the limitations applicable to nonprofit corporations in the Oklahoma General Association Act, the Association is formed to promote and encourage public interest in agriculture and ranching through reining horse shows and programs; to develop standards of performance and judging of reining horses; to encourage the development and breeding of better reining horses; to develop a higher degree of efficiency in the occupation and career of professional reining horse trainers, owners, and breeders; and to disseminate information about reining horses. Subject to the foregoing, the Association shall have and may exercise all of the powers of nonprofit corporations under Oklahoma law.

3. **Restrictions.** The Association is an organization described in Section 501(c)(5) of the Internal Revenue Code of 1986, as amended (the “Code”) (all references in these Bylaws to the Code shall include reference to any corresponding provisions of any subsequent federal tax laws). At no time, either on or before dissolution, shall any part of the net earnings of the Association inure to the benefit of any member, except as may be permitted by law and the Code.

4. **Principal Office.** The principal office of the Association shall be located in Oklahoma City, Oklahoma, or at such other location as the Board of Directors designates. The Board of Directors may establish additional offices as the business of the Association requires.

**ARTICLE II  
MEMBERSHIP**

1. **Membership.** Membership is available to any individual of good character and reputation who has an interest in reining horses and the promotion of the reining horse. Additionally, membership is available to business entities, partnerships, syndicates, affiliates or organizations. Membership is a privilege, and not a vested right. All memberships are subject to the approval of the Executive Committee, which may approve, reject, suspend, or revoke the membership of any Member at any time in its discretion. The Board of Directors retains final authority regarding all aspects of membership, including conditions of membership, eligibility, qualifications, approval or rejection, suspension, revocation, processes, types, dues, and interpretations of the provisions of these Bylaws relating to membership, and the decision of the Board of Directors shall be final and not subject to appeal or review.

2. **Affiliates.** The Board of Directors may establish criteria to designate member organizations as NRHA-approved affiliates. Affiliate status is granted or rejected at NRHA’s discretion according to policies and procedures established by the Board of Directors.

3. **Membership Applications and Dues.** The Board of Directors shall establish a process for the application and approval of new Members, the structure and timing for payment of membership dues, and currency requirements.

4. **Annual General Membership Meeting.** The Members shall hold an annual general membership meeting on a date and at a time and place determined by the Board of Directors. Notice of the date, time, and place of the annual meeting shall be posted on the Association's website at least 30 days before the date of the meeting. Additionally, the Association may publish the date, location, and other information about the annual general meeting, as well as a schedule of meetings, in the *NRHA Reiner* magazine prior to the meeting. The proposed agenda for the meeting shall be posted on the Association's website sufficiently in advance of the meeting, as determined by the President. A Member may submit in writing a proposed agenda topic with an explanation of the item in reasonable detail. Inclusion of the item on the agenda is subject to the approval of President.

5. **Special Meetings.** The Board of Directors may call special meetings of the Members to be held on a date and at a time and place determined by the Board of Directors. The Board of Directors shall arrange for notice of special meetings to be published on the Association's website and to be sent by email to Members at least 30 days before the date of the meeting. The notice shall specify the date, time, place, and purposes of the meeting. The business transacted at a special meeting shall be limited to the matters specified in the notice of the meeting.

6. **Presence at Meetings.** The attendance of a Member at any meeting shall constitute waiver of notice of the meeting, except where a Member attends a meeting for the purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Members may participate in a meeting of the Members by means of conference telephone or similar communications equipment. Such participation shall constitute presence in person at the meeting.

7. **Voting.** Each individual Member who is 19 years of age or older as of January 1 of the calendar year in which a vote is taken and who is a Member in good standing before the notice of the meeting is published or sent is entitled to one vote on all matters presented to the Members during the meeting. Members whose memberships are maintained or recorded as joint, corporate, syndicate, associate, alliance, affiliate, or other type or category are not considered to be individual Members, and they are not eligible to vote. Members may not vote by proxy.

8. **Quorum.** The Members present shall constitute a quorum for any meeting of the Members, regardless of the number of Members present.

9. **Actions Requiring Member Approval.** The Members shall elect the Vice President, two Executive Committee members, and regional directors of the Association. To be elected, an individual must receive at least a majority of the votes cast.

10. **Voting Procedures.** The Board of Directors may establish or approve procedures and requirements for voting, including procedures and requirements relating to use of elections, paper ballots, content of ballots, submission of ballots, electronic voting, administration of elections, counting ballots and votes, announcing and publishing results, and voting periods.

## **ARTICLE III DIRECTORS**

1. **Authority.** The Board of Directors shall manage and direct the business and affairs of the Association. The directors shall have and may exercise all authority permitted by law. The Board of Directors shall provide an annual report of the general state of the affairs and finances of the Association to the membership.

2. **Composition; Number; Qualifications.** The number of directors that will constitute the entire Board of Directors shall be not less than eight. The Board of Directors shall be comprised of the Executive Committee and other elected directors. Additionally, the President of the Reining Horse Foundation shall be an ex-officio voting member of the Board of Directors. At no time shall more than one member of the same immediate family serve as a member of the Board of Directors.

3. **Regions and Councils.** The Board of Directors may create, modify, or eliminate Regions and Councils that encompass geographic areas on continents in which Members are located.

4. **Directors.**

(a) **Election of Directors.** The Board of Directors shall determine the number of directors to be elected by the Members residing within specific Regions and Councils and publish that information in the annual Election Procedures established by the Board. The Board of Directors may periodically change the boundaries of Regions and Councils. The Board of Directors shall determine the number of directors to be elected to the Board of Directors by the Members within each Region and Council.

(b) **Terms.** Directors shall be elected to serve for initial terms of two years, commencing on January 1 following the elections. Directors will be divided into two groups, as nearly as equal in number as possible, with the terms of approximately 1/2 of the directors expiring each year. Directors may be re-elected to serve for up to two additional, consecutive terms of two-years each, but shall then not be eligible to serve as a director for a period of one year.

(c) **Eligibility.** An individual, in order to be elected and serve as a director, must be an eligible voting member of the Association, citizen or resident of a nation or region from which the individual is elected, and a Member in good standing of the Association. Associate members are not eligible to serve as directors.

5. **Removal; Resignation.** A director may be removed as a director with or without cause by the affirmative vote or consent of at least 2/3 of the directors (excluding the individual who is the subject of consideration for removal) who are present and voting at a meeting at which a quorum is present. A director may resign by submitting a resignation in writing to the President. The resignation is effective upon receipt, unless otherwise stated in the notice.

6. **Vacancies.** If a vacancy results from the resignation, removal, or other inability or incapacity of a director elected from North America, then the remaining members of the Board of Directors from North America may by majority vote, fill the vacancy with an eligible member. If a vacancy results from the resignation, removal, or other inability or incapacity of a director elected from a Council, then the vacancy shall be filled in the manner determined by the Council. A director so chosen shall be elected to serve for the remainder of term of the director whose position had become vacant.

7. **Regular Meetings.** The Board of Directors shall hold at least one regularly scheduled meeting each calendar year on a date and at a time and place determined by a majority of the directors (or as may be stated in the notice of meeting) for the purpose of transacting any business that may properly come before the meeting. The Board of Directors may hold additional regular meetings on such dates and at such times and places as the Board of Directors may determine.

8. **Special Meetings.** The President, a 2/3 majority of the Executive Committee, or a majority of the directors may call a special meeting of the Board of Directors to be held on a date and at a time and place specified in the notice of the meeting. Notice of a special meeting must be given to directors at least ten days before the meeting if the notice is sent by mail, or at least five days before the meeting if notice is delivered personally, given by phone, or sent by electronic mail. The notice shall specify the date, time, place, and purposes of the meeting.

9. **Quorum and Voting.** At least a majority of the total number of directors, excluding any vacancies, present in person, shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. Each director shall be entitled to one vote on matters presented to the directors. Directors may not vote by proxy. Except as otherwise specified in these Bylaws, the act of a majority of voting directors present and voting at a meeting at which a quorum is present shall be the act of the Board of Directors. If a quorum is not achieved, then the presiding officer may determine if there is a minimum of 36% of the total Board members present, and, if so, continue the meeting and any question coming before the meeting would require a two-thirds majority to act as if the entire Board were sitting.

10. **Presence at Meeting.** Members of the Board of Directors or of any committee of the Board of Directors may participate in a meeting of the Board of Directors or committee by means of conference telephone or similar communications equipment, provided that all directors participating in the meeting can communicate with each other. Such participation shall constitute presence at the meeting, with the exception that a director must physically attend, in person, at least one meeting during the year.

11. **Action Without Meeting.** Any action required or permitted to be taken at any meeting of the Board of Directors or at any meeting of a committee of the board may be taken without a meeting if all voting members of the Board of Directors or such committee, as the case may be, consent to the action in writing, and the written consent is filed with the minutes of the proceedings of the Board of Directors or committee.

12. **Compensation.** The Association may, as determined by the Board of Directors, pay directors reasonable compensation for their services as directors. Additionally, if determined by the Board of Directors, the Association may reimburse directors for the actual and reasonable expenses incurred in attending any meeting of the Board or of any committee. The right to receive compensation as a director shall not preclude any director from being paid for serving the Association in another capacity or receiving compensation or payments for actions, transactions, or services provided to the Association.

#### **ARTICLE IV EXECUTIVE COMMITTEE**

1. **Executive Committee.** The Executive Committee shall consist of the President, Vice President, two Directors-at-Large elected by the Members, the fifth Executive Committee member elected by the Board of Directors from within the membership, and the sixth Executive Committee

member elected by the Board of Directors from within the Board. All members of the Executive Committee shall also serve as members of the Board of Directors.

2. **Responsibility and Authority.** The Executive Committee shall perform those functions and responsibilities, and may exercise the authority specified in an Executive Committee Charter approved by the Board of Directors. If specified in the Executive Committee Charter, the Executive Committee shall be authorized to exercise the full power and authority of the Board of Directors during the intervals between meetings of the Board of Directors. The Executive Committee shall report to the Board of Directors all actions taken by the Executive Committee. By a two-thirds majority of voting members of the Board of Directors present and voting, the Board of Directors can countermand any actions or decisions the Board deems appropriate.

3. **Terms of Executive Committee Members.**

(a) The Vice President will be elected to serve for a term of two years. Every other year, a new Vice President shall be elected, and the existing Vice President will advance to President. The term of newly elected Vice President and elevated President will commence on January 1 following the election. An individual may serve as President for a maximum of two non-consecutive terms.

(b) The two Directors-at-Large elected by the members shall serve for staggered terms of two years. The members of the Executive Committee elected by the Board of Directors shall be elected to serve for a term of one year. Members of the Executive Committee who are elected by the Members and by the Board of Directors may be re-elected to serve for additional terms. All terms will commence on January 1 following election.

4. **Meetings.** The Executive Committee shall hold at least four regularly scheduled meetings each calendar year on dates and at times and places determined by the President (or as may be stated in the notice of meeting) for the purpose of transacting any business that may properly come before the meeting. The Executive Committee may hold additional meetings on such dates and at such times and places as a majority of the members of the Executive Committee may determine.

5. **Quorum and Voting.** At least a majority of the total number of members of the Executive Committee, excluding any vacancies shall constitute a quorum for the transaction of business at any meeting of the Executive Committee. Each member of the Executive Committee shall be entitled to one vote on matters presented to the Executive Committee. Members of the Executive Committee may not vote by proxy. Except as otherwise specified in these Bylaws, the act of a majority of voting members of the Executive Committee present and voting at a meeting at which a quorum is present shall be the act of the Executive Committee.

6. **Presence at Meeting.** Members of the Executive Committee may participate in a meeting of the Executive Committee by means of conference telephone or similar communications equipment, provided that all members of the Executive Committee participating in the meeting can communicate with each other. Such participation shall constitute presence in person at the meeting.

7. **Action Without Meeting.** Any action required or permitted to be taken at any meeting of the Executive Committee may be taken without a meeting if all voting members of the Executive Committee consent to the action in writing, and the written consent is filed with the minutes of the proceedings of the Executive Committee.

8. **Removal; Resignation.** A member of the Executive Committee may be removed by the affirmative vote or consent of at least 2/3 of the directors (excluding the individual who is the subject of consideration for removal) who are present and voting at a meeting at which a quorum is present if the directors determine that removal would serve the best interests of the Association. A member of the Executive Committee may resign by submitting a resignation in writing to the Board of Directors. The resignation is effective upon receipt, unless otherwise stated in the notice.

9. **Vacancies.** If a vacancy results from the resignation, removal, or other inability or incapacity of one of the members of the Executive Committee, then the Board of Directors may fill the vacancy. An Executive Committee member so chosen shall be elected to serve for the remainder of term of the Executive Committee member whose position had become vacant.

## **ARTICLE V OFFICERS AND COMMISSIONER**

1. **Officers.** The officers shall include a President and a Vice President. Additionally, officers may include a Secretary, a Treasurer, and other officers elected by the Board of Directors. The officers, other than the President and Vice President, may but need not be directors of the Association.

2. **Elections.**

(a) **Election of Vice President and Director-at-Large.** The Board of Directors shall, at its first meeting of each year, designate a 30-day time frame during the year for annual elections. The Nominating/Governance Committee shall submit to the Board of Directors at least 90 days before the start of the election the name(s) of individual(s) nominated for the position of Vice President and Director-at-Large. Additionally, any 100 Members may nominate a candidate for Vice President or Director-at-Large by submitting a nomination in writing to the Chair of the Nominating/Governance Committee or the NRHA Commissioner at least 60 days before the start of the election. If only one nomination is submitted, then that candidate will be elected by acclamation. To be eligible for election as Vice President or as a Director-at-Large, an individual must meet established criteria set forth by the Board of Directors and have served for at least one year as a member of the Board of Directors prior to taking office. To be eligible for the Director-at-Large position as elected by the Board of Directors from within the membership, an individual must meet established criteria set forth by the Board of Directors and have served for at least one year as a member of the Board of Directors or two years on any NRHA Committee prior to taking office.

3. **Terms of Officers.** The Vice President will be elected to serve for a term of two years. Every other year, a new Vice President will be elected, and the existing Vice President will advance to President. The terms of newly elected officers will commence on January 1 following the election. The terms of other officers will be determined by the Board of Directors when such terms commence.

4. **Removal; Resignation.** An officer may be removed by the affirmative vote or consent of at least 2/3 of the directors (excluding the vote of the individual who is the subject of consideration for removal, if that individual is also a director) who are present and voting at a meeting at which a quorum is present, if the directors determine that removal would serve the best interests of the Association. An officer may resign by submitting a resignation in writing to the Board of Directors. The resignation is effective upon receipt, unless otherwise stated in the notice.

5. **President.** The President shall be subject to the direction of the Board of Directors and shall perform such duties as are provided in these Bylaws or as may be assigned by the Board of Directors. The President shall preside at all meetings of the Executive Committee, the Board of Directors, and the Members. The President shall have authority to execute deeds, mortgages, leases, and contracts or other instruments of the Association, except where the signing and execution are delegated in these Bylaws or by the Board of Directors to some other officer or agent of the Association. In addition, the President shall in general have such authority and perform all other duties incident to the position of President of a nonprofit corporation.

6. **Vice President.** The Vice President shall perform such duties as the Board of Directors or the President may assign. In the absence or inability to act of the President, the Vice President shall perform the duties and discharge the responsibilities of the President.

7. **Secretary.** The Secretary shall keep corporate records and shall give notice of, attend, and record minutes of meeting of Board of Directors. The Secretary shall, in general, perform all duties incident to the office of Secretary and such other duties as the Board of Directors, the Board Chair, or the President may assign.

8. **Treasurer.** The Treasurer shall act as custodian of the assets of the Association and shall be responsible for overseeing the financial affairs, investments, and budgets of the Association. The Treasurer shall perform such additional duties as the Board of Directors or the President may assign.

9. **Commissioner.** The Commissioner shall serve as the Chief Executive Officer of the Association. The Commissioner may not serve as a member of the Board of Directors while serving as Commissioner. The Commissioner shall perform such duties and functions as may be specified in any contract with the Association and in the position description approved by the Board of Directors.

## **ARTICLE VI COMMITTEES AND TASK FORCES**

1. **Standing Committees.** The Standing Committees, which shall report directly to the Board of Directors, are the Nominating/Governance Committee, Finance/Audit Committee, and Compensation Committee. The Board of Directors may establish new Standing Committees as necessary and periodically modify Committee Charters, setting forth the committee composition, method of appointment of members of the committee and membership requirements. The Board of Directors may remove any member, including the Chair, of any Standing Committee. Standing Committees shall keep minutes of their meetings and shall regularly report on committee actions and proposals to the Board of Directors. Each Standing Committee may establish its own rules of procedure, as long as they are not inconsistent with the provisions of these Bylaws.

2. **Quorum and Voting.** A majority of the voting committee members of a committee present shall constitute a quorum for the transaction of business at any meeting of the committee. The act of a majority of voting members of the committee present and voting at a meeting at which a quorum is present shall be the act of the committee.

3. **Action without Meeting.** Any action required or permitted to be taken at any meeting of any committee may be taken without a meeting if all members of the committee consent to the action in writing, and the written consent is filed with the minutes of the proceedings of the committee.

4. **Authority.** Any committee, to the extent provided in the resolution of the Board, shall have and may exercise any of the powers and authority of the Board, except that no committee shall have any power or authority as to the following:

- (a) The filling of vacancies on the Board;
- (b) The adoption, amendment, or repeal of the Bylaws;
- (c) The amendment or repeal of any resolution of the Board, or
- (d) Action on matters committed by the Bylaws or by resolution of the Board to another committee of the Board.

5. If any person who is not a director is appointed to any standing committee of the Board, such non-director shall not be counted for purposes of determining a quorum and may not vote on any matter that may create a binding obligation of the Corporation.

6. **Advisory Committees and Task Forces.** The Board of Directors may establish advisory committees and task forces that may include directors as well as persons who are not directors. Advisory committees may be utilized to assist in the operation and management of the Association. Task forces may be utilized to accomplish a specific, designated task or project of limited scope and duration. Advisory committees and task forces may exercise authority as may be directed or delegated by the Board of Directors. Such advisory committees and task forces shall have no power to bind the Association and shall have only such responsibilities and duties as delegated to them by the Board or the President. Each advisory committee and task force may consist of one or more directors of the Association and shall have such name or designation as the Board of Directors may determine. The President, with the approval of the Executive Committee, shall appoint the members of each advisory committee or task force. Advisory committee and task force members need not be members of the Board of Directors. Advisory committees and task forces may generally perform duties assigned by the Board of Directors, the Executive Committee, or the President. Each advisory committee and task force shall regularly report on actions and proposals to the Board of Directors. Each advisory committee and task force may establish its own rules of procedure, as long as they are not inconsistent with the provisions of these Bylaws.

7. **Term.** Standing and advisory committee members shall be appointed to serve for the term as designated in the respective committee charter, commencing January 1 following appointment. Committee members, with the exception of the Judges and Stewards Committees, may be reappointed to serve on the same committee for up to two additional, consecutive terms of one-year each, but shall then not be eligible to serve on that committee for a period of one year. The Judges and Stewards Committees may be reappointed to serve on the same committee for up to three additional, consecutive terms for the first two years, followed by two one-year terms, but shall then not be eligible to serve on that committee for a period of one year. Each member of a task force shall continue as a member as long as the task force is working to accomplish designated tasks or projects, unless the member dies, resigns, or is removed as a task force member.

8. **Presence at Meeting.** Members of any committee of the Board of Directors may participate in a meeting of the committee by means of conference telephone or similar communications equipment, provided that all members participating in the meeting can communicate with each other. Such participation shall constitute presence in person at the meeting.



9. **Removal; Resignation.** A member of any advisory committee or task force may be removed by the Executive Committee. A member of any advisory committee or task force may resign by submitting a resignation in writing to the Executive Committee or the President. The resignation is effective upon receipt, unless otherwise stated in the notice.

10. **Vacancies.** The President, with the approval of the Executive Committee, may appoint persons to fill vacancies on advisory committees and task forces resulting from the resignation, removal, or other inability or incapacity of a member of the advisory committee or task force. The newly appointed advisory committee or task force member shall serve for the remainder of term of the position that was vacated.

## **ARTICLE VII INDEMNIFICATION AND LIABILITY**

1. **Actions Other Than in the Right of the Association.** The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Association) by reason of the fact that he or she is or was a Member, director, officer, employee, or agent of the Association or is or was serving at the request of the Association as a director, trustee, officer, manager, employee, or agent of another corporation, limited liability company, partnership, joint venture, or other enterprise against expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred in connection with such action, suit, or proceeding if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interest of the Association and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not of itself create a presumption that the person did not act in good faith and in a manner that such person reasonably believed to be in good faith and in a manner that he or she reasonably believed to be in or not opposed to the best interest of the Association and with respect to any criminal action or proceeding had reasonable cause to believe that his or her conduct was unlawful.

2. **Actions by or in the Right of the Association.** The Association shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action or suit by or in the right of the Association to procure a judgment in its favor by reason of the fact that such person is or was a Member, director, officer, employee, or agent of the Association or is or was serving at the request of the Association as a director, trustee, officer, manager, employee, or agent of another corporation, limited liability company, partnership, joint venture, trust, or other enterprise against expenses (including attorney's fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interest of the Association; except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person shall have been adjudged to be liable to the Association unless and only to the extent that the court in which such action or suit was brought shall determine, upon application, that despite the adjudication of liability, but in the view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the court shall deem proper.

3. **Advancement of Expenses.** The Association may advance expenses incurred in defending a civil or criminal action, suit, or proceeding, in advance of the final disposition of such action, suit, or

proceeding upon receipt of an undertaking by or on behalf of the director, officer, employee, or agent to repay such amount if it is ultimately determined that he or she is not entitled to be indemnified by the Association.

4. **Insurance.** The Association may purchase (upon resolution duly adopted by the Board of Directors) and maintain insurance on behalf of any person who is or was a Member, director, officer, employee, or agent of the Association, or is or was serving at the request of the Association as a director, trustee, manager, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, trust, or other enterprise against any liability asserted against such person and incurred in any such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify such person against such liability.

5. **Indemnification Required.** To the extent that a Member, director, officer, employee, or agent of the Association has been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in this article or in defense of any claim, issue, or other matter, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred in connection with the matter.

6. **Entitlement.** Every such person is entitled, without demand on the Association or any action by the Association, to enforce his or her right to such indemnity in an action at law against the Association. The right of indemnification and advancement of expenses provided in this Article shall not be deemed exclusive of any rights to which any such person may now or later be otherwise entitled. Without limiting the generality of the foregoing, the right to indemnity shall not be deemed exclusive of any rights pursuant to statute or otherwise, of any such person in any action, suit, or proceeding to have assessed or allowed in his or her favor, against the Association or otherwise, costs and expenses incurred in connection with the matter.

7. **Liability.** To the fullest extent permitted by law, directors shall not be liable in damages to the Association or any Member for breach of fiduciary duty as a director.

## **ARTICLE VIII INTERESTED PARTIES**

### **1. Definitions.**

(a) **Interested Person.** Any director or officer who has a material direct or indirect financial interest, as defined in this Article, is an interested person.

(b) **Financial Interest.** An individual has a financial interest if he or she has, directly or indirectly, through business, investment, or family: (i) a material ownership or investment interest in any entity with which the Association has a transaction or arrangement; or (ii) a material compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement. An individual shall not be deemed to have a "financial interest" due to an employment arrangement with, or serving as a director or officer of, another nonprofit organization that is exempt from federal income taxation under the Code.

2. **Disclosure.** An interested person shall disclose to the Board of Directors the existence and nature of his or her financial interest in any proposed transaction or arrangement involving the Association.

3. **Procedures for Addressing Conflicts of Interest.** The Chair shall, if appropriate, appoint a disinterested individual or committee to investigate alternatives to the proposed transaction or arrangement. The Board of Directors or committee shall determine whether, in their judgment, the transaction or arrangement is fair to the Association. They may also evaluate whether the Association may, without undue burden, delay, or expense, obtain a more advantageous transaction or arrangement with reasonable efforts from an individual or entity that would not give rise to a conflict of interest. In evaluating whether a transaction or arrangement is more advantageous, the Board Directors or committee, as the case may be, may take into account all facts and circumstances that it reasonably believes to be appropriate in its judgment, including factors relating to price, cost, quality, service, compensation arrangements, financial arrangements, capability, capacity, convenience to the organization, historical relationships, production efficiencies, market efficiencies, community interests, organizational support, reputation, availability, responsiveness, experience, location, commercial reasonableness, fair market value, market conditions, timing, scheduling, or other appropriate factors, depending on the nature of the transaction or arrangement. The Board of Directors or committee shall determine, by a majority vote of the disinterested directors, whether the transaction or arrangement is in the best interest of the Association, and they may pursue and approve the transaction or arrangement, as long as they reasonably believe in good faith that the transaction or arrangement is fair to the Association.

4. **Violations.** If the Board of Directors or committee has reasonable cause to believe that an interested person has failed to disclose a conflict of interest as required in this Article, the Board of Directors or committee shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the response of the interested person and making such further investigation as may be warranted in the circumstances, the Board of Directors or committee determines that the interested person has in fact failed to disclose a conflict of interest as required in this Article, the Board of Directors or committee shall take appropriate disciplinary and corrective action.

5. **Record of Proceedings.** The minutes of the Board of Directors or committee shall contain: (a) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with a conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the decision as to whether a conflict of interest in fact existed, (b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, and (c) a record of any votes taken.

6. **Compensation.** A director or committee member who receives compensation or remuneration, directly or indirectly, from the Association shall not vote on matters pertaining to his or her compensation.

7. **Validation of Contracts.** No contract or transaction between the Association and one or more of its directors or officers, or between the Association and any other organization in which one or more of its directors or officers serve as directors, officers, or members or have a financial interest shall be void or voidable solely for this reason or solely because the director or officer is present at or participates in the meeting of the Board of Directors where the contract or transaction is authorized or approved or solely because his or her vote is counted for such purposes if:

(a) The material facts as to the director's interest and as to the contract or transaction are disclosed or are known to the Board of Directors, and the Board of Directors in good faith

authorizes the contract or transaction by a vote sufficient for such purpose without counting the vote of the interested directors; or

(b) The contract or transaction is fair as to the Association as of the time it is authorized, approved, or ratified by the Board of Directors.

8. **Quorum.** Interested directors may be counted in determining the presence of a quorum at a meeting at which the Board of Directors authorizes the contract or transaction.

## **ARTICLE IX GENERAL**

1. **Fiscal Year.** The Board of Directors shall determine the fiscal year of the Association.

2. **Annual Audited Financial Statements.** The Board of Directors shall arrange for an independent accounting firm to prepare an annual audit of the books and records of the Association and to prepare audited financial statements.

3. **Notices.** Unless otherwise provided by these Bylaws, notice may be given in writing and delivered personally, sent by United States mail postage paid, or sent by electronic means, and addressed to the individual to whom notice is being given at such address as appears on the records of the Association. The Association is not obligated to send notice by email to any Member if the Association does not have the Member's current email address.

4. **Waiver of Notice.** A person entitled to receive notice under these Bylaws may waive the notice requirement by executing a written waiver.

5. **No Implied Rights.** Nothing contained in these Bylaws is intended to confer any rights or benefits on any individual or to confer any private right, remedy, or right of action on any person, except with respect to indemnification as provided in these Bylaws. These Bylaws are intended for internal corporate use only and solely for the governance of the internal affairs of the Association.

6. **Good Standing.** A Member will be considered to be in good standing if the member has paid annual membership dues for the current year, does not have any outstanding payments due to the Association, and his/her membership is not suspended or revoked.

7. **Immunities.** To the fullest extent permitted by law, directors shall not be liable in damages to the Association or any Member for breach of fiduciary duty as a director.

8. **Interpretation.** The Board of Directors retains final authority regarding the interpretation of these Bylaws, including (a) the application of any provision of these Bylaws to any person or circumstance, (b) provisions of these Bylaws relating to membership, (c) the interpretation or application of any provision that is or may be considered vague, indefinite, uncertain, ambiguous, or unclear, or (d) any provision is, may be, or may following adoption of these Bylaws become inconsistent with any provision of the Certificate of Incorporation, the Oklahoma General Corporation Act, or any law or court decision. The decision of the Board of Directors shall be final and not subject to appeal or review.

9. **Bond.** If required by the Board, any person shall give bond for the faithful discharge of his or her duty in such sums and with such sureties as the Board shall determine.

**ARTICLE X  
DISSOLUTION**

1. **Distribution of Assets on Dissolution.** Upon dissolution, the Board of Directors shall, after paying or making provision for the payment of all liabilities of the Association, dispose of all of the assets by transferring and conveying the assets to one or more organizations that are exempt from federal income taxation under Section 501(c)(5) of the Code, in the following order of priority: (a) to a successor organization of this Association; (b) to one or more organizations with purposes similar to the purposes of this Association; or (c) to one or more other organizations as determined by a majority vote of the Board of Directors.

2. **Restriction.** In no event shall a distribution be made in a manner that permits the net earnings of the Association to inure to the benefit of any member in a manner prohibited by the Code.

**ARTICLE XI  
AMENDMENTS**

1. **Amendments.** These Bylaws may be amended or repealed at any regularly scheduled meeting of the Board of Directors, wherein a quorum has been met, upon a two-thirds vote of the directors present.

2. **Proposals By Directors, Committee and Task Forces.** Amendments to these Bylaws may be proposed by any member of the Board or by any chairperson of a duly created committee or task force. All proposed amendments under this subsection must be submitted to the Commissioner in writing at least sixty (60) days prior to any regularly scheduled Board meeting. Upon receipt of the proposed amendment, the Commissioner shall immediately refer the proposed amendment to the Chairman of the Bylaws Committee. Following their review, the Bylaws Committee shall, within thirty (30) days, provide a written report to the President and Commissioner of their findings concerning the proposed Bylaw amendment. The Commissioner shall then provide notice of the proposed amendment and the Bylaws Committee's report to the Board at least fourteen (14) days prior to the next regularly scheduled meeting of the Board.

3. **Proposals by Members.** General members of this association may submit their proposals for a bylaw amendment for consideration of the Board of Directors. Such a proposal must be submitted upon an approved Bylaw Amendment Proposal Form and forwarded to the Commissioner of the Association sixty (60) days prior to the last scheduled Board of Directors meeting for the calendar year. The Commissioner shall follow the guidelines in Section 2 above.

4. **Effective Date.** Any amendments to the Bylaws that are approved by the Board shall be effective immediately and shall be posted as a notice on the Association's website and the online version of the Bylaws shall be updated and shall prevail over any printed version.

**ARTICLE XII  
TRANSITIONAL PERIOD**

Following the adoption of these Bylaws in 2016, the Board of Directors shall implement a plan to reduce the size of the Board of Directors to 27 directors commencing January 1, 2017 and then to 20 directors commencing January 1, 2018.



Commissioner

Approved: August 16, 2016



President