

# BYLAWS

## PERFORMANCE SHAGYA REGISTRY, Inc.

### ARTICLE I

#### Offices

**Section 1.1. Principal Office.** The principal office of the Performance Shagya Registry, Inc. (hereafter referred to as The Registry) shall be located in Lexington, Kentucky, or at such other location in Kentucky as the Board of Directors may determine from time to time. The Registry may have such other offices, either within or without the State of Kentucky, as the Board of Directors may determine or as the affairs of The Registry may require from time to time.

As of October 20, 2008 the principal office of The Registry as stated in the Articles of Incorporation is located at:

Postoak Shagyas  
c/o Eric Nelson  
1128 NW 400 Rd  
Centerview, MO 64019

**Section 1.2. Registered Office.** The Registry shall have and continuously maintain in the State of Kentucky a registered office and a registered agent whose office is identical with such registered office. The registered office may be, but need not be, identical with the principal office, and the address of the registered office may be changed from time to time by the Board of Directors.

### ARTICLE II

#### Members

**Section 2.1. Membership.** The Registry shall have two classes of membership: Adult and Junior. Each member, 18 years and older, shall have one vote in The Registry. Each paid membership shall include the yearly dues for one registered horse. Refer to the Rules and Regulations for specific fee breakdown.

**Section 2.2. Application and Election of Members.** Any person wishing to become a member shall submit an application on a form prescribed by the Board of Directors and provide applicable fees due. The applicant will be contacted as soon as practical, of notification of membership.

**Section 2.3. Termination of Membership. Termination, Revoking of Membership, Prohibited Conduct.** Members may terminate their membership at any time by sending a written notice to the corporation – The Registry. In case of the termination of a membership the membership fee or any portion of it will not be reimbursed. An annual membership shall terminate as provided in the Rules and Regulations.

Membership can be revoked by the majority decision of the entire Board of Directors for cause. The member has a right for a hearing and will be given the chance to respond prior a decision is made. Possible reasons for suspending membership are, but not limited to:

1. Nonpayment of membership dues or fees
2. Misconduct cruel or criminal behavior or neglect against animals
3. Serious breach of Ethical Standards, as defined in the Conflict Resolution portion of the Rules and Regulations, or by a “guilty” finding from the Conflict Resolution process.

If the corporation finds that any member has failed to comply with any of the regulations of these bylaws or has been guilty of misconduct or misrepresentation which in any manner involves the purpose or the good name of this corporation, such member may be suspended or expelled from membership and may be denied any membership privileges and be subject to other penalties as may be deemed appropriate.

**Section 2.4. Rights of Members.** Each member shall be entitled to participate in the activities of The Registry and to receive the benefits of the services of The Registry. Every member, 18 years of age or older, shall be entitled to a vote upon matters that come before the general membership for action. A membership interest may not be transferred, assigned or conveyed.

### **ARTICLE III** **Meetings of the Membership**

**Section 3.1. Annual Meeting.** An annual meeting of the general membership shall be held within one hundred twenty (120) days after December 31st of each fiscal year at such time and place as designated in the notice thereof, for the purpose of fostering communication and discussion among the entire membership and for conducting any business as may come before the meeting. The Board of Directors shall establish reasonable rules to govern all matters pertaining to voting, which may occur later in the year in the instance of unforeseen disaster.

**Section 3.2. Special Meetings.** Special meetings of the membership may be called by the Board of Directors either by a majority vote of the Board or by a petition from twenty percent (20%) of the general membership. The President shall retain the right to call a special meeting.

**Section 3.3. Place of Meeting.** Special meetings will be held in Lexington, Kentucky, or at a location, or via teleconference, to be determined by the Board.

**Section 3.4. Notice of Meetings.** Written notice stating the place, day and hour of any meeting of members shall be delivered, either in person, or by e-mail or facsimile, to each member, not less than five nor more than thirty-five days before the date of such meeting. In case of a special meeting or when required by statute or by these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at the mailing address as it appears on the current membership records of The Registry, with First Class postage thereon prepaid. If given by e-mail or facsimile, the notice of a meeting shall be deemed to be delivered when the e-mail is sent and return e-mail receipt received or receipt of the facsimile is confirmed by the facsimile equipment. Any member may waive notice of any meeting by a waiver in writing signed by such member.

### **ARTICLE IV** **Board of Directors**

**Section 4.1. General Powers.** The policy and affairs of The Registry shall be set and managed by its Board of Directors.

**Section 4.2. Number; Qualifications; Tenure.** The number of Directors shall be minimum of three (3) and a maximum of nine (9). Each Director shall be elected by the members. Each director shall and must be a member of The Registry, and have reached their 18<sup>th</sup> birthday on or before January 1 of the year of their election. The term of the Initial Directors named in the Articles of Incorporation shall expire when their successors have been elected and announced at initial meeting of The Registry. The initial terms of the five (5) Directors elected immediately after the initial Directors named in the Articles of Incorporation shall continue until the next annual meeting, and shall be staggered as follows: the terms of the External Affairs Chair, and the West and East Regional Directors (as defined in Section 4.3) shall be for three (3) years; all other initial terms shall be for two

(2) years. After the initial term of the five (5) Directors, the terms of all offices shall be fixed at two (2) years. The Directors shall hold office until their successors have been elected and hold their first meeting. Each Director shall be eligible for reelection, but no Director may serve more than three (3) consecutive terms (excluding the one (1) year term of the initial Board of Directors named in the Articles of Incorporation). A Director may also serve as an officer. In no event shall any entity have more than one of its owners or employees serve as a director or be a director nominee in a given election cycle. All Directors shall at all times during his/her tenure be a Member in good standing.

**Section 4.3. Categories of Directors.** The directors shall be divided into four (4) categories.

Category One (External Affairs Chair) shall consist of one (1) director. The External Affairs Chair's duties shall include but not be limited to being the conduit of communication between the Registry and the outside world. In particular, this Chair shall keep The Registry apprised of any information coming from ISG or other breed registries, and shall keep other registries informed of important happenings in The Registry, and will represent The Registry at formal meetings. This chair is the formal external liaison for The Registry.

Category Two (Breeders Registry Chair) shall consist of one (1) director. The Breeders Registry Chair's duties shall include, but not be limited to, overseeing the Breeding Committee, the Registrar, the performance assessment system and similar breeding related functions.

Category Three (Membership Chair) shall consist of one (1) director. The Membership Chair's duties shall include but not be limited to overseeing the membership, awards, incentives and similar functions. The Membership Chair works closely with the Breeders Registry Chair to determine and recognize performance and pleasure riding milestones.

Category Four – Regional Directors (2) – Each Regional Director position shall consist of, but not be limited to maintaining contact with the members in their Region, keeping their membership informed of upcoming events, seminars, etc, establishing rapport with existing and potential members to encourage participation in Regional events, and making these opportunities available to their membership. Their full function description will be found in the Rules and Regulations.

West Regional Director - shall consist of one (1) director and is geographically defined as states west of the Mississippi River in the USA and includes all provinces to the west of and including Manitoba in Canada.

East Regional Director - shall consist of one (1) director and is geographically defined as states east of the Mississippi River in the USA and includes all provinces to the east of and including Ontario in Canada.

**Section 4.4. Election of Directors.** Each category of directors shall be elected by a ballot and vote to be conducted within the first 120 days of the subsequent year. All eligible members shall have the right to vote for the first three categories of Directors, in addition to the Regional Director position for the Region in which they reside. Each member may cast as many votes as the number of directors being elected for the category of directors being voted upon, but may cast only one vote for a particular nominee. A member does not have the right to cumulate his votes for a nominee. The nominees with the largest numbers of votes, up to the number of directors to be chosen, are elected as directors for the category being voted upon.

**Section 4.5. Regular Meetings.** The President, or Vice President in the absence of the President, shall chair the regular meetings of the Board of Directors. Should both the President and Vice President be absent while a quorum is present, a Chair shall be appointed by a majority of the

Directors present.

**Section 4.6. Special Meetings.** Special meetings of the Board of Directors may be called by or at the request of the President or by two-thirds (2/3) of the entire Board of Directors. Special meetings shall be held in Lexington, Kentucky, or at a location or via teleconference, to be determined by the Board.

**Section 4.7. Notice.** If notice is given personally, by telephone, by e-mail or by facsimile, notice of any special meeting of the Board of Directors shall be given at least three (3) days prior thereto; or if given by mail, notice of any special meeting of the Board of Directors shall be given at least eight (8) days prior thereto. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope addressed to each Director at his address as last shown by the records of The Registry, with First Class postage thereon prepaid. If notice be given by facsimile, such notice shall be deemed to be delivered when receipt of the facsimile is confirmed by the facsimile equipment. If notice is given by e-mail, such notice shall be deemed to be delivered when the e-mail is sent. Any Director may waive notice of any meeting. The business to be transacted and the purpose of any special meeting of the Board shall be specified in the notice or waiver of notice of such meeting.

**Section 4.8. Quorum.** A 2/3 (two-thirds) majority of the entire Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. If less than two-thirds of the Directors are present at any meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

**Section 4.9. Manner of Acting.** The act of 2/3 (two-thirds) majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

**Section 4.10. Removal and Resignation.** Termination of a Board of Directors will occur upon normal expiration of the term, by resignation or in case of disqualification or conflict of interest. The position of a Director may be revoked by the majority decision of the entire Board. The removed Director has a right for a hearing and will be given the chance to respond prior a decision being made. Reasons for revoking Board of Director privileges are, but not limited to:

- 1 Misconduct or criminal behavior, cruel behavior or neglect against animals.
- 2 Intentional misconduct or actions not in good faith or a knowing violation of the law.
- 3 A conflict of interest with The Registry, in particular with regard to an organization directly competing with The Registry.
- 4 Failure to attend two or more Board meetings (excluding excused absences).
- 5 Inactivity (for ex., failure to participate in meetings or failure to respond over a period of time [more than 3 months]).
- 6 Knowingly violate the rules of conduct or violation of Ethical Standards, as established in the Rules and Regulations.
- 7 Repeatedly violating the rules of business conduct, as defined in the Rules and Regulations.

**Section 4.11 Conflict of Interest.** In the event that a member of the Board of Directors of The Registry holds an office or serves on the Board of Directors with an association/corporation which is in competition with The Registry, this activity shall constitute a conflict of interest and disqualify that person from becoming or continuing a Board of Directors or Officers position in The Registry. Membership or committee service with an association/corporation which is in competition with this The Registry does not, however, constitute a conflict of interest. ("Competition with The Registry" is defined as an association/corporation whose primary function is to keep registration records of purebred Shagya Horses in North America).

**Section 4.12. Vacancies.** Any vacancy occurring in the Board of Directors may be

filled by the affirmative vote of a majority of the remaining directors. If the unexpired term of the vacant office is 12 months or more, the Board of Directors shall notify the membership, to allow interested members to apply for the vacant position, and the Board shall choose from the members applying. A Director who is selected to fill a vacancy shall perform the duties for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors shall be filled by election by the Membership.

**Section 4.13. Compensation.** Directors shall not receive compensation for their services. Nothing herein shall be construed to preclude any Director from serving The Registry in any other capacity and receiving compensation therefore.

**Section 4.14. Informal Action by Directors.** Any action required by law to be taken at a meeting of Directors, or any action which may be taken at a meeting of Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

## **ARTICLE V**

### **Officers**

**Section 5.1. Officers.** The officers of The Registry who may be Directors of The Registry shall be a President, a Registrar, a Secretary and a Treasurer. The Board of Directors may elect such other officers, including one or more Vice-Presidents, one or more Assistant Secretaries, and one or more Assistant Treasurers, as it shall deem desirable, such officers to have the authority and perform the duties prescribed, from time to time, by the Board of Directors. No person shall hold more than one office of The Registry, concurrently.

**Section 5.2. Election and Term of Office.** The officers of The Registry shall be elected annually by the Membership at the first meeting of the Board of Directors following the annual election. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently possible. New offices may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until a successor shall have been duly elected and shall have qualified.

**Section 5.3. Removal.** Any officer may be removed by the Board of Directors whenever in its judgment the best interests of The Registry will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

**Section 5.4. Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by a simple majority vote of the entire Board of Directors for the unexpired portion of the term.

**Section 5.5. President.** The President shall be the principal executive officer of The Registry and shall in general supervise and control all of the business and affairs of The Registry. He shall preside at all meetings of the members and all meetings of the Board of Directors. He may sign, with the Secretary or any other proper officer of The Registry authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of The Registry; and in general he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

**Section 5.6. Vice President.** The Vice President shall preside over meetings in the absence of the President.

**Section 5.7. Secretary.** The Secretary shall keep the minutes of the meetings of the members, meetings of the Board of Directors, and meetings of the committees in one or more books provided

for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the corporate records and of the seal of The Registry and see that the seal of The Registry is affixed to all documents, the execution of which on behalf of The Registry under its seal is duly authorized in accordance with the provisions of these Bylaws; and keep a register of the post office address of each member which shall be furnished to the Secretary by such member. The secretary is also responsible to keep records/minutes of all BOD communication, where decisions/agreements are made, policies are established/changed, document when the BOD votes (what was decided, who was present/participated in the decision, what was the vote, abstentions, etc.), archive/file any legal documents, etc.

**Section 5.8. Treasurer.** The Treasurer shall have charge and custody of and be responsible for all funds and securities of The Registry; receive and give receipts for moneys due and payable to The Registry from any source whatsoever; deposit all such moneys in the name of The Registry in such banks or other depositories as shall be selected in accordance with the provisions of ARTICLE VII of these Bylaws; and in general perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to her/him by the President or by the Board of Directors. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board of Directors shall determine. The Treasurer shall also post, on a minimum of a quarterly basis the corporate financial information for membership review.

**Section 5.9. Assistant Secretaries and Assistant Treasurers.** The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or Treasurer or by the President or the Board of Directors. If required by the Board of Directors, the Assistant Treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine.

## **ARTICLE VI** **Committees**

**Section 6.1. Committees.** The Board of Directors in the exercise of its authority in the management of The Registry may designate committees composed of members of The Registry by a resolution duly adopted by the Directors except as provided in Section 6.1.1. Such committees shall not have the authority to act on behalf of the Board of Directors. The Board of Directors shall appoint the members thereof. Any member thereof may be removed by a two-thirds (2/3) majority vote of the entire Board of Directors whenever in the judgment of the Board of Directors the best interests of The Registry shall be served by such removal.

**Section 6.1.1. Breeding Committee.** Members of the Breeding Committee shall be voted into their position by two-thirds (2/3) vote of the entire Board of Directors and shall serve for one (1) year terms. Breeding Committee members may be removed by a two-thirds (2/3) vote of the entire Board of Directors.

**Section 6.2. Term of Office.** Each Committee member shall serve for a term of one year. Members of all committees shall continue as such until the next annual meeting of the Board of Directors of The Registry and until a successor is appointed, unless the committee shall be sooner terminated, or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof. Each committee shall be annually re-appointed by the Board of Directors, following the Annual Meeting. Committee members may serve consecutive years.

**Section 6.3. Chair.** One member of each committee shall be appointed Chair of the Committee by a two-thirds (2/3) vote of Category Four Directors only (as defined in Section 4.3.)

**Section 6.4. Vacancies.** Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

**Section 6.5. Quorum.** Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

**Section 6.6. Rules.** Each committee may adopt rules for its own government provided such rules are not inconsistent with these Bylaws or with the rules adopted by the Board of Directors for its own government.

## **ARTICLE VII** **Grievance and Conflict Resolution**

**Section 7 Grievance and Conflict Resolution Procedure.** If a dispute arises between two or more The Registry members or between a The Registry member and a nonmember relating to these Bylaws or Rules and Guidelines or the breach thereof, and if the dispute cannot be settled through direct discussions, the parties may endeavor to settle the dispute by mediation before resorting to arbitration. Any unresolved controversy or claim arising from or relating to these Bylaws or Rules and Guidelines or breach thereof may be settled by arbitration Pursuant to Rules and Guidelines Procedures Article XX, Sections 1 -3)

## **ARTICLE VIII** **Fiscal and Operational Matters**

**Section 8.1. Contracts.** The Board of Directors may authorize any officer or officers, agent or agents of The Registry, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of The Registry, and such authority may be general or confined to specific instances.

**Section 8.2. Checks, Drafts, etc.** All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of The Registry shall be signed by such officer or officers, agent or agents of The Registry and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the President and Treasurer of The Registry.

**Section 8.3. Deposits.** All funds of The Registry shall be deposited from time to time to the credit of The Registry in such banks or other depositories as the Board of Directors may select.

**Section 8.4. Dues.** The Board of Directors shall, from time to time, establish the amount, date, and form of payment of all dues payable by members.

**Section 8.5. Budget.** The Board of Directors shall adopt an annual budget for The Registry, which will be reviewed on a quarterly basis and shall be made available for the membership to view at a time and place deemed reasonable.

**Section 8.6. Gifts.** The Board of Directors may accept on behalf of The Registry any contribution, gift, bequest, or devise for the general purposes or for any special purpose of The Registry.

**Section 8.7. Books and Records.** The Registry shall keep correct and complete books and records of account. The Registry shall also keep minutes of the proceedings of its members, Board of Directors and committees at the registered or principal office including a record stating the names and addresses of all members entitled to vote. All books and records of The Registry may be inspected by any member, or his properly designated agent or attorney, for any proper purpose at

any reasonable time.

**Section 8.7.1 Website.** All photographs, articles, information, etc that are on the website, as named in the Rules and Regulations, belong to The Registry and shall not be changed, edited or removed without proper authorization from the Board of Directors.

**Section 8.8. Fiscal Year.** The fiscal year of The Registry shall begin on the first day of January and end on the last day of December in each year.

**Section 8.9. Seal.** The Board of Directors may provide a corporate seal, which shall be in the form of a circle and shall have inscribed thereon the name of "Shagya" and the words "Corporate Seal. Kentucky."

**ARTICLE IX**  
**Amendments to Bylaws**

**Section 9.1. Amendments.** These Bylaws may be altered, amended or repealed including new Bylaws adopted by a majority vote of the current members of the organization present at any regular or special meeting after prior written notice to the members. At least eight (8) days written notice will be given of the intention to alter, amend, or repeal, or to adopt new Bylaws at such meeting. The proposed changes shall be given in a written format.

**CERTIFICATE**

I, the Secretary of The Registry, hereby certify that the foregoing were adopted as the initial Bylaws of the Corporation at the Organizational Meeting of the Board of Directors on the \_\_\_ day of April, 2009.

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SECRETARY