

Bylaws
of
INTERNATIONAL ASSOCIATION FOR THE PRESERVATION OF
EARLY CALIFORNIO BRIDLEHORSES AND STOCKMANSHIP
A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION

Article I – Name, Purpose.

Section 1: The name of the organization is INTERNATIONAL ASSOCIATION FOR THE PRESERVATION OF EARLY CALIFORNIO BRIDLEHORSES AND STOCKMANSHIP (Corporation).

Section 2: The Corporation is established exclusively for the preservation and education of early Californio horsemanship and stockmanship.

Article II – Membership.

Section 1: Membership shall consist only of the members of the board of directors.

Article III – Nonpartisan Activities.

This Corporation has been formed under the California Corporation Law for the purposes described herein above in Article I, and it shall be nonprofit and nonpartisan. No substantial part of the activities of the Corporation shall consist of the publication or dissemination of materials with the purpose of attempting to influence legislation, and the Corporation shall not participate or intervene in any political campaign on behalf of any candidate for public office or for or against any cause or measure being submitted to the people for a vote.

The Corporation shall not, except in an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the purposes described above.

Article IV – Dedication of Assets.

The property of this corporation is irrevocably dedicated to charitable purposes and no part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation or corporation which is organized and operated exclusively for charitable purposes and which has established its tax exempt status under Internal Revenue Code Section 501(c)(3).

Article V–Meetings.

Section 1: Meetings. The Board shall meet at least quarterly, at an agreed upon time and place.

Section 2: Special Meetings. Special meetings may be called by a 2/3rds majority of the Board.

Section 3: Notice. Notice of each meeting shall be given to each voting member, by mail or email, not less than ten days before the meeting.

Section 4: Attendance. Directors will be considered in attendance whether they are physically at the meeting or attending via live electronic or other means such as teleconferencing.

Article VI – Board of Directors.

Section 1: Board Role, Size, Compensation. The Board is responsible for overseeing the daily management of the organization by the Officers of the Board. The Board shall have not less than three (3) Directors, and not more than twenty (20) Directors, with the exact number to be fixed by approval of the Board of Directors in a manner consistent with Article VI Section 4 of these Bylaws.

Section 2: Terms of Office. All Board members shall serve 1 year terms, and are eligible for re-election.

Section 3: Nomination. Any person qualified to be a Director may be nominated by the method of nomination authorized by the Board or by any other method authorized by law.

Section 4: Board Elections. Election of new directors or re-election of current directors to additional terms will occur as the first item of business at the first meeting of the Corporation in each new calendar year. Nominees receiving the highest number of votes up to the number of Directors to be elected are elected.

Section 5: Quorum. A quorum must be attended by at least 66 percent of the Board members before business can be transacted or motions made or passed.

Section 6: Officers and Duties. There shall be three Officers of the Board consisting of a President/Chief Executive Officer, Secretary and Chief Financial Officer. Their duties are as follows:

- a) The President/Chief Executive Officer shall convene the quarterly Board meetings, shall preside or arrange for other members of the executive committee

to preside at each meeting in the following order: Secretary and Chief Financial Officer. The President/Chief Executive Officer, subject to the control of the Board of Directors, shall supervise, direct and control the business affairs of the Corporation.

b) The Secretary shall be responsible for keeping records of Board actions, including overseeing the taking of minutes at all board meetings, sending out meeting announcements, distributing copies of minutes and the agenda to each Board members, and assuring that corporate records are maintained.

c) The Chief Financial Officer shall keep and maintain in written form adequate and correct books and records of account of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, gains, disbursements, gains and losses. The books and records of account shall be at all times open to inspection by any Director of the Corporation. The Chief Financial Officer shall disburse the funds of the Corporation as ordered by the Board of Directors, and shall render to the Directors, on request, an account of all such officer's transactions as Chief Financial Officer, and of the financial condition of the Corporation.

Section 7: Compensation. The Officers and Directors of the Corporation may be eligible for reimbursement of the regular expenses incurred in any travel for the purposes of the operation of the Corporation or for attendance at any meetings. Any compensation paid for services any Officer or Director performs for the Corporation will be subject to the provisions of the Conflicts of Interest Policy in Section VIII of these Bylaws.

Section 8: Resignation and Removal of Officer and Directors. Any Officer or Director may resign at any time on written notice to the Corporation without prejudice to the rights, if any, of the Corporation under any contract to which the Officer or Director is a party. Officers and Directors may be removed with or without cause at any meeting of the Board of Directors by the affirmative vote of a majority of the Directors. Any Officer or Director will be removed for cause if:

- a) the Officer or Director is declared of unsound mind by a final order of court.
- b) the Officer or Director is convicted of a felony.
- c) the Officer or Director has failed to attend three (3) meetings of the Board in any twelve (12) month period.

Section 9: Concurrent Offices. The President/Chief Executive Officer of the Corporation may hold no other Office at any time they are serving as President/Chief Executive Officer.

Article VII – Committees.

Section 1: The Board may create committees as needed, such as fundraising, rules, etc. The President/Chief Executive Officer appoints all committee chairs.

Article VIII – Conflicts of Interest.

Section 1: Purpose. The purpose of the conflict of interest policy is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable Corporations.

Section 2: Definitions.

- a. Interested Person: Any Officer or Director or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

- b. Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - 1. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
 - 2. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
 - 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Article VIII, Section 3(b), a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 3: Procedures.

- a. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of

committees with governing board delegated powers considering the proposed transaction or arrangement.

b. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

c. **Procedures for Addressing the Conflict of Interest:**

1. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

2. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3. After exercising due diligence, the governing board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

d. **Violations of the Conflicts of Interest Policy.**

1. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4: Records of Proceedings. The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's 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, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 5: Compensation and Salaries.

- a. Compensation outside of the regular expenses incurred in any travel for the purposes of the operation of the organization or for attendance at any meetings must be established by a vote of the Board in compliance with these rules.
- b. A voting member of any committee whose jurisdiction includes compensation matters is precluded from voting on matters pertaining to compensation of any employees or members of the organization who the voting member is related to by family or marriage.
- c. No compensation will be offered to any Officer, Director or employee prior to a vote of the Board setting the level of that compensation.
- d. A permanent record will be kept of each vote regarding compensation of any Officer, Director or employee, including:
 - 1) The date and terms of the compensation arrangements.
 - 2) The voting decision of each individual Board Member
 - 3) A record of the specific data from other similarly situated organizations or other information used to insure that no more than the fair market value was offered in compensation for the specific work being performed.

Section 6: Annual Statements. Each Officer, Director and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy detailed here in Article VIII of the Bylaws of the Corporation,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and

d. Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7: Periodic Reviews. To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management Corporations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section 8: Use of Outside Experts. When conducting the periodic reviews as provided for in Section 7 of this Article, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Article IX- Amendments

Section 1: These Bylaws may be amended when necessary by a 2/3rds vote of the Board of Directors. Proposed amendments must be submitted to the Secretary to be sent out with regular Board announcements.

I certify that I am the duly elected and acting Secretary of INTERNATIONAL ASSOCIATION FOR THE PRESERVATION OF EARLY CALIFORNIO BRIDLEHORSES AND STOCKMANSHIP, a California nonprofit public benefit corporation; that these Bylaws, consisting of 7 pages, are the Bylaws of this Corporation as adopted on ____/____/_____, and that these Bylaws have not been amended or modified since that date.

Executed this _____ day of _____, _____.

Robert W. Ross, Secretary