

In the Matter of the Registration and Incorporation of
ALBERTA QUARTER HORSE RACING (1984) ASSOCIATION

BY-LAWS

We the undersigned, hereby declare that we desire to form a society under The Societies Act, and that the following shall be the By-Laws of the Alberta Quarter Horse Racing (1984) Association.

ARTICLE I

- 1) The name of the Association shall be “ALBERTA QUARTER HORSE RACING (1984) ASSOCIATION”.
- 2) The head office of the Association shall be located in the City of Edmonton, or such other place in Alberta as may be determined by the Board of Directors.

ARTICLE II
MEMBERSHIP

- 1) The Membership may consist of:
 - a) Persons, partnerships, corporations and syndicates, which are actively engaged in or interested in the owning of, the breeding of, the racing of, and the betterment of Quarter Horses in Alberta , Canada, the United States, and throughout the world.
- 2) Application for Membership
 - a) Each application for membership shall be signed by the applicant, on the form prescribed by the Board of Directors, from time to time.
 - b) All applications for membership shall be considered within a period of Twenty One (21) Days from the date of its receipt by the secretary and may be approved by the Board of Directors, provided however, that the Board

of Directors may refer any or all applications to the members of the Association for approval.

- c) All applications for membership shall be deemed to include an agreement by the applicant to be bound by the by the Association's By-Laws and Resolutions in force from time to time.

3) Representation

- a) Every member shall by notice in writing to the Board of Directors, designate the name and address of an individual as its representative and an individual as its alternate representative and, until changed by the member by notice in writing to the Board of Directors, such representatives shall be the only persons entitled to exercise the rights and privileges of membership of that member.

4) Annual Membership Fee

- a) The Association shall have the authority to assess and collect from the members of the Association, such fees from time to time as agreed to by the member as a condition of its joining the Association or electing to continue as a member following notification of a proposed change in fees.
- b) The annual membership fees of each member of the Association shall be payable in an amount and at the times as determined by the Board of Directors. If any member disputes the amount of the fees, the objection shall be considered by the Board of Directors who may affirm or alter that amount. If any member disputes the decision of the Board of Directors, the objection shall be considered by the members of the Association who may affirm or alter the amount.

- c) Payment of the membership fee provided for in Article III paragraph 4 (b) entitles the member so paying to membership in the Association for a period not exceeding One (1) Year.
- d) All such fees shall be payable within Thirty (30) Days after receipt of a notice of the amount due from the Secretary.
- e) In the event that a member does not remit its membership fees within the time periods herein set out, the Board of Directors shall have the option to terminate such member's membership in the Association by notice of termination to such member upon such terms and conditions as the Board of Directors considers appropriate in the circumstances.
- f) If a member fails to observe any provision of the By-Laws or resolutions of the Association, or has ceased to be eligible for membership through actions not in the best interests of the Association, that member may, depending on the severity of the actions, be suspended or expelled from membership by the Board of Directors, provided, however, that prior to taking such vote, the member shall be given notice of the intended suspension or expulsion and the opportunity of appearing before the Board of Directors for a hearing. The Board of Directors shall have the power to establish by resolution, rules of procedure for the hearing of objections by members of their suspension or expulsion upon such terms as it may in its sole discretion deem just.
- g) A former member, may, upon application to the Board of Directors, be reinstated as a member in the Association, provided the application for reinstatement is accepted by the Board of Directors and that all dues, assessments or other amounts then unpaid and owing are paid.

- h) Upon a member remitting its membership payments to the Association, the Secretary of the Association shall forward to such member, an Acknowledgement of Membership and Receipt of Membership Fees, in the form prescribed by the Board of Directors from time to time, which acknowledgement and receipt shall be deemed to include an agreement by the members so paying to be bound by the Association's By-Laws in force from time to time.
- i) A member may terminate its membership in the Association by notice to the Secretary (herein after called "Notice of Termination") which termination of membership shall become effective upon receipt by the Secretary of the said notice (hereinafter called "Effective Date").
- j) Upon the Effective Date or upon a member being expelled from the Association, such member shall not be responsible for payment of any membership fees with respect to the period following the Effective Date but all outstanding membership fees which remain unpaid up to and including Effective Date.
- k) Membership in the Association may, at the discretion of the Board of Directors, be terminated upon the occurrence of any one of the following events:
 - i) a member has contravened any provision of these By-Laws;
 - ii) a member has contravened any provision of the Racing Commission Act or any other rules made by the Racing Commission thereunder;
 - iii) a member has conducted himself in a manner which is, in the opinion of the Board of Directors, prejudicial to the best interests of the Alberta Quarter Horse Racing (1984) Association or any of its objectives;
 - iv) the death of a member, if the member is an individual; and

- v) the winding-up or dissolution of a corporate member, partnership or syndicate.
- vi) a member is listed on the suspended persons list of the American Quarter Horse Association (AQHA). [amended 1986]
- l) No member shall be entitled to any return of membership fees whatsoever from the Association save and except where a member has been expelled from the Association; then, in such event, such member shall be entitled to a return of any prepaid fees which are referable to the period after the Effective Date of the date of expulsion.
- m) Membership in the Association is not transferable in any manner whatsoever to any other person, firm, partnership or corporation.
- n) The Board of Directors of the Association may pass rules to regulate the following matters;
 - i) the issue of membership cards or certificates
 - ii) suspension of members;provided, however, that the members of the Association may add to, vary or delete any matter set out in this Article III paragraph 4(a).

5) Special Levy or Assessment

- a) Anticipated expenditures which may be long term or of a special nature, may necessitate a special levy or assessment on members or a certain number of the members who may have a special or individual interest on the project requiring such expenditure. Such levies or assessments may be imposed only with the express approval of members at the Annual General Meeting, or at a Special General Meeting called for the purpose of considering the levy. At any meeting the special levy or assessment will

require approval of not less than Seventy Five (75%) Percent of those members who may be affected by such levy or assessment and if present and entitled to do so, vote in person, or by proxy delivered to the Secretary prior to the start of the meeting.

- b) Any member of the Association has Fifteen (15) Days from the date of receipt of a notice imposing a special levy or assessment within which to notify the Board of Directors that such member does not intend to participate in the activity that required the special levy and subject to the approval of the of the Board of Directors, such member or members will not participate in such activity and will not be liable to payment of the special levy or assessment related to such activity.

6) Notice of Meeting

In the event that a special levy or assessment is proposed, Twenty One (21) Days written notice of the meeting at which the levy or assessment shall be considered must be given to each of the members. Such notice shall specify in sufficient detail, the amount, the reason and the necessity for the special levy or assessment.

7) Commitment

In the event of the approval of the special levy or assessment, it is expected members shall give such undertaking as is necessary and in suitable form to support the project for which the assessment was made.

ARTICLE III **BOARD OF DIRECTORS**

- 1) There shall be a Board of Directors of the Association which shall direct the affairs of the Association and exercise all the powers of the Association subject

to direction from any Annual General or Special General Meeting of the Association and its By-Laws in force from time to time.

- 2) The Board of Directors shall consist of the President, Vice-President, a Secretary and a Treasurer and such further number of Directors so that the Board of Directors shall consist of not less than Seven (7), nor more than Fifteen (15) individuals.
- 3) All Directors or their designated alternates shall attend at least Seventy Five (75%) Percent of the meetings of the Board of Directors called in each calendar year. Failure to do so may result in a request for such Director`s resignation, at the Board`s discretion.
- 4) The Vice-President will be the Chairman designate and any past President is an ex-officio member of the Board, entitled to attend, and vote, at all meetings of the Board of Directors.
- 5) The Board of Directors shall meet at least One (1) Time within any calendar year.
- 6) The Board of Directors [amended 1986]
 - a) Shall be composed of no less than Seven (7) Directors and no more than Fifteen (15) Directors at large, to be elected by the members of this association entitled to vote at The Annual General Meeting. Only members in good standing as dictated in Article III-9 shall be eligible to serve as a director. The term of One Half (1/2) of the initial directors shall be One (1) Year and the term of the Other Half (1/2) of the directors shall be Two (2) Years. Thereafter at every Annual General Meeting, One Half (1/2) of the directors shall be elected for a Two (2) Year term and the Other Half shall still have one year remaining in their term.

- b) The immediate past President of the Association shall hold a position on the Board of Directors for a period of One (1) Year.
- 7) A Director may resign by written notice given to the Secretary which resignation shall be effective on the day it is received or stated to be effective.
- 8) Any member of the Association may nominate any individual in the Association who shall be that members nominee as a candidate for election to the Board of Directors, filing with the Secretary not less than Thirty (30) Days prior to the date on which the Annual General Meeting is held, his nomination in writing and the written consent of the nominee to act as a candidate and Director.
- 9) No member may be nominated nor elected to the Board of Directors unless such member has been a member in good standing in the Association and with the Alberta Racing Commission for a period of Two (2) Years.
- 10) The election of any individual to the Board of Directors shall be held at the Annual General Meeting.
- 11) The Board of Directors shall have the right to fill any vacancies on the Board as they may occur from time to time.
- 12) A Director may be removed from office by a resolution passed by Seventy Five (75%) Percent of those members who, if entitled to do so, vote in person or by proxy provided that such proxy is delivered to the Secretary prior to the start of the meeting and provided that notice of such proposed resolution is given with the calling of the meeting.
- 13) The Board of Directors shall be responsible for its own procedures except as set forth herein.
- 14) The President may call a meeting of the Board of Directors at any time upon notice of the same being given to all Directors stating the date, time and place of the proposed meeting. If the President shall refuse, fail or be unable

to act, the Vice-President may do so, failing which the Secretary may call such meeting.

- 15) A meeting of the Board of Directors may be called at any time upon written notice request of Three (3) Directors or Three (3) Members given to the President stating the purpose of such meeting in which event the Chairman shall forward notice of such meeting and the reasons therefore to all Directors. Such notice will be given by either prepaid single registered mail or telex.
- 16) Provided that a meeting has been properly called, in lieu of a formal meeting of the Board of Directors, a meeting may be conducted by mail, telegram, telex or telephone on any matter, at the request of any Director or any Three (3) Members. The decision of such poll shall have the same force and effect as if taken at a formal meeting.
- 17) A quorum of the Board of Directors for the transaction of business shall consist of Fifty (50%) Percent of the Directors in office at the time of the meeting.
- 18) Unless otherwise provided herein, at all meetings of the Board of Directors, every question shall be decided by a majority of the votes. The President will have a second and deciding vote in the event of a tie.
- 19) Members of the Association shall be entitled to copies of all minutes of the meetings upon request in writing to the Secretary.
- 20) Subject to Article IV paragraph 10, memberships on the Board of Directors shall ipso factor be vacated;
 - a) a member has contravened any provision of these By-Laws;
 - b) a member has contravened any provision of the Racing Commission Act or any rules made by the Racing Commission thereunder;

- c) a member has conducted himself in a manner which is, in the opinion of the Board of Directors, prejudicial to the best interests of the Alberta Quarter Horse Racing (1984) Association or any of its objectives;
 - d) the death of a member, if the member is an individual;
 - e) the winding-up or dissolution of a corporate member, partnership or syndicate;
 - f) if an order is made declaring him to be a mentally incompetent person or incapable of managing his own affairs; or
 - g) if he is convicted of a criminal offense.
- 21) Every Director, or any other person who, after being duly authorized by the Board of Directors, has undertaken or is about to undertake any liability on behalf of the Association, their respective heirs, executors, administrators and assigns, shall from time to time and at all times, be indemnified and saved harmless, out of funds of the Association from and against;
- a) all costs, charges and expenses whatsoever which such Director sustains or incurs in or about any action, suit or proceedings, which is brought, commenced or prosecuted against him for or in respect of any act, deed, matter or thing done or permitted by him in and about the execution of the duties of his office or on respect of any such liability; and
 - b) all other costs, charges and expense which he sustains or incurs in or about or in relation to affairs thereof excepting such costs, charges or expenses as are occasioned by his own wilful neglect, default or dereliction of duty.
- 22) No Director or officer shall be liable for the acts, negligence or default of any other Director, officer or employee or for any loss, damage or misfortune whatsoever which may happen in the execution of the duties of his office or trust or in relation thereto unless the same shall be by or through his own wilful

act or through his own wilful neglect or default. If any Director or officer of the Association shall be employed by, or shall perform services for the Association, otherwise than as a Director or officer, or shall be a Director or officer of a corporation which is employed by, or performs services for, as the case may be, the fact of his being a Director or officer of the Association shall not disentitle such Director or officer from receiving proper remuneration for such services.

- 23) The Directors and officers shall serve without remuneration and no Director or officer shall directly or indirectly receive any profit from his position as such, provided that a Director or officer may be paid reasonable expenses incurred by him in the performance of his duties and in accordance with any directions received from the Annual General Meeting of the Association. Nothing herein contained shall be construed to preclude any Director or officer from serving the Association in a capacity other than as a Director or officer and receiving compensation therefore.
- 24) The operating budget for the year shall be proposed by the Board of Directors and presented for adoption to the Annual General Meeting of the Association or any Special General Meeting called for that purpose by the Board of Directors.

ARTICLE IV **OFFICERS**

- 1) The officers of the Association shall consist of a President, Vice-President, Secretary and Treasurer, all of whom shall be appointed by the Board of Directors from amongst their own number.

- 2) The President shall be the Chief Executive Officer of the Association and shall preside at all meetings of the Board of Directors and general membership meetings which he attends. His duties shall be customary to the office.
- 3) The Vice-President of the Association shall act in the place of and instead of the President in all instances where the President is unable for any reason to act.
- 4) The Secretary of the Association shall keep the minutes of the meetings of the Board of Directors and the general membership; and ensure that the By-Laws and other books and records of the Association are properly kept and perform all other duties customary to the office of Secretary.
- 5) The Treasurer of the Association shall oversee the financial affairs of the Association, keep the financial books and records of the Association and oversee the preparation of the budget and Financial Statements and perform all other duties customary to the office of Treasurer.
- 6) The Board of Directors may pass rules to regulate the following matters;
 - a) The appointment, remuneration, functions, duties and removal of employees and agents of the Association provided, however, that the members of the Association may add to, vary or delete any matter set out in this Article V paragraph 6.
- 7) In the absence or inability or refusal to act of any officer of the Association or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate all of or any of the powers of such office to any other officer or Directors who shall exercise the powers of and perform the duties and obligations of such office pending confirmation of such delegation of office by the Annual General Meeting or the Special General Meeting of the Association.

- 8) The officers of the Association shall hold office for one year or until their successors are elected or appointed in their stead.

ARTICLE V
MEETINGS OF THE ASSOCIATION

- 1) The Annual General Meeting of the Association shall be held on each year on a date no later than the 15th day of December in each year.
- 2) The Annual General Meeting of the members shall be held in Alberta. At each Annual General Meeting there shall be presented the report of the Board of Directors on the affairs of the Association for the previous year, the financial statements, the auditor's report and such other business as may properly be brought before an annual meeting of members.
- 3) A special Annual General Meeting of the Members may be held outside Alberta, should the general membership by a vote of at least Fifty (50%) Percent of the Members deem that a joint meeting with any other Quarter Horse Association outside of Canada would be beneficial to the Association.
- 4) Other meetings of members shall be known as "Special General" Meetings.
- 5) Special General Meetings of the Association may be called upon notice given by the President of the Board of Directors, or upon notice given by at least Three (3) Members of the Association to either the President or Secretary and which notice shall state the purpose of such meeting, in either event, the President or Secretary, as the case may be, shall forward Twenty One (21) Days written notice of such meeting and the reasons therefore to all members.
- 6) Notice of the Annual and Special General Meetings of the members of the Association shall be given or mailed to each member Twenty One (21) Days prior to such meeting and such notice shall state the date, time and place of

the proposed meeting and general nature of the business to be transacted at the meeting including, if applicable, the nominees for election to the Board of Directors to be elected at such meeting. If revisions, amendments or additions to the By-Laws are to be voted upon by the members of the Association at any such meeting, the notice shall include the proposed revisions, amendments, additions or waivers provisions.

- 7) Any business may be transacted at the Annual General Meeting of the Association, but at any Special General Meeting, no business may be transacted except that set forth in the notice of meeting unless Seventy Five (75%) Percent of those present consent to other business being transacted.
- 8) Any member of the Association by its designated representative, shall at all meetings of the Association, both Annual General and Special General, be entitled to one vote which may be exercised in person or by proxy given to any other person and delivered to the secretary prior to the start of the meeting.
- 9) Motions will be considered passed at Annual General Meetings or Special General Meetings by a vote of greater than Fifty (50%) Percent of the members or their designated representatives present in person or represented by proxy provided that the proxy is delivered to the Secretary prior to the meeting. [Amended 2003]
- 10) Unless otherwise provided herein, at all meetings of the members of the Association, every question shall be decided by a majority of votes cast on the question and in the case of equality the Chairman of the meeting shall have a second or casting vote.
- 11) By-Laws of the Association may be passed, varied or deleted provided the same have been consented to by the Board of Directors and then confirmed at an Annual General Meeting or a Special General Meeting of the Association by

a Vote of not less than Seventy Five (75%) Percent of those members who, if entitled to do so, vote in person or by proxy provided that the proxy is delivered to the Secretary prior to the meeting.

ARTICLE VI
FINANCIAL YEAR

- 1) The first financial year of the Association shall be the period commencing on the day in which the Certificate of Incorporation for the Association was issued and ending on the 31st day of December thereafter; the financial years of the Association thereafter shall be a calendar year and shall run from January 1 to December 31 in each and every year.
- 2) In addition to its other duties the Board of Directors shall;
 - a) review all expenditures and approve the financial statements of the Association,
 - b) establish procedures for allocating costs where necessary;
 - c) prepare the budget of expenditures and required fees to be submitted for approval of its membership each year;
 - d) adjudicate any dispute with respect to fees;
 - e) approve, when required, proposed expenditures not hitherto approved, provided such expenditures would not require any additional fees or assessments not approved in the budget adopted by the general membership.
- 3) The audited Financial Statements of the last financial year of the Association shall be presented to the membership at each Annual General Meeting accompanied by either an audit report or a compilation engagement report, (at the boards discretion) prepared by an independent auditor or accountant. [Amended 2002]

ARTICLE VII
SPECIAL COMMITTEES

- 1) The Board of Directors shall from time to time appoint such special committees as may be necessary to carry out certain activities of the Association and may delegate to such committees without the consent of the members, such duties or functions as in the judgement of the Board of Directors shall promote the general welfare of the Association.
- 2) All such committees shall report to the Board of Directors. No committee or person so appointed shall have the power to bind the Association, or expend any funds of the Association, or pledge credit of the Association, or represent the Association except as expressly authorized so to do by the Board of Directors.

ARTICLE VIII
SUBMISSIONS BY ASSOCIATION

- 1) No policy position, submission, representation or brief shall be made public unless it shall first have been approved as to general content and principle by the Board of Directors.
- 2) Notwithstanding membership in the Association, any member may in the event of a conflict of interest or disagreement in principle and to the presentation of briefs or a position taken by the Association, file independent briefs or instruct the Association to disassociate the member from any position taken by the Association.
- 3) Submissions and briefs of the Association shall be signed by the President together with any other officer. The Board of Directors may at any time, and from time to time, direct the manner in which and the person or persons by

whom any submission or brief is to be presented to any Provincial, Local Government, Regulatory Board, or any Federal Commission, and any other authority having jurisdiction over Quarter Horses and Quarter Horse racing, and as well, to any other person, firm, or corporation that the Board of Directors determines that such submission or brief should be presented.

ARTICLE IX
BORROWING

- 1) The Board of Directors may, by resolution passed by a majority of not less than Seventy Five (75%) Percent of the members of the Board of Directors present, borrow money for the purpose of carrying out the objectives of the Association and notice specifying the intention to propose the resolution, shall be duly given to all members of the Association. Any such borrowing shall be limited to interim short term working capital requirements of the Association except that the Board may, in accordance with any direction given at an Annual General or Special General Meeting, borrow such amounts as are required to fund special programmes for which budgets together with the necessary levies or assessments have been approved by the membership on accordance with Article III paragraphs 5, 6 and 7.

ARTICLE X
AUDIT OF ACCOUNTS

- 1) At each Annual General Meeting of the Association, auditors shall be appointed to hold office until the close of the next Annual General Meeting.
- 2) The auditors of the Association shall audit all accounts of the Association for ensuing year and shall present a report to the members which the Board of Directors will table at the next Annual General Meeting of the Association.

ARTICLE XI
BANKING

- 1) The bank account of the Association shall be maintained at such bank, trust company, or Treasury Branch as the Board of Directors may by resolution designate, and all banking business, or any part thereof, shall be transacted on behalf of the Association by any two of the signing officers designated by resolution of the Board of Directors from time to time and to the extent therein provided including the operation of the accounts of the Association, the making, signing, drawing, accepting, endorsing, negotiating, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills or exchange and orders for payment of money and the execution of any agreement relating to any such banking business and defining the rights and powers of the parties thereto.

ARTICLE XII
CORPORATE SEAL of the ASSOCIATION and EXECUTION of DOCUMENTS

- 1) The corporate seal of the Association shall be maintained at the registered office of the Association as may be determined from time to time by the Board of Directors and the Secretary of the Association shall be deemed to have the control and custody of the seal of the Association.
- 2) Contracts, documents and instruments of the Association may be signed and the corporate seal of the Society may be affixed thereto, by the Secretary together with any other officer. Notwithstanding this, the Board of Directors may at any time, and from time to time direct the manner in which, and the person or persons by whom any particular contract document or instrument or class of contracts, documents or instruments may be signed and by whom the

corporate seal of the Society may be used. At no time is the corporate seal to be used without the authority of the Board of Directors unless accompanied by the signature of at least two members of the Board of Directors.

ARTICLE XIII
DISSOLUTION OF ASSOCIATION

- 1) The Association may be dissolved upon the authorization of the Association at an Annual General Meeting or a Special General Meeting of the Association duly called for that purpose or upon consent in writing of all members.
- 2) Upon authorization being given to dissolve, pursuant to Article XIV paragraph 1, the Association shall appoint a liquidator of the estate and effects of the Association and such liquidator shall apply the property of the Association firstly in satisfaction of the liabilities of the Association and shall thereafter distribute the remainder of the property rateably amongst the members generally in accordance with the ratios that each member contributed to the last annual membership fees.

ARTICLE XIV
MISCELLANEOUS

- 1) Any notice given herein required, other than notice of any meeting, may be validly given either by telex or prepaid single registered mail; if sent by mail it shall be deemed to be given on the fifth business day after it is sent;
 - a) to a member at the address shown on that member's application for membership or such other address as such member has advised the Secretary of with respect to correspondence;
 - b) to the Association in care of its Secretary.

and provided further that if in the event that notice is served by mail at a time when there is an interruption of mail service affecting the delivery of mail, the notice shall not be deemed to have been served until One (1) Week after the date that normal service is restored.

- 2) Notice of any meeting shall be given or mailed to each Director or member, as the case may be, at least the minimum number of days required, prior to such meeting, and shall state the date, time and place of the proposed meeting and general nature of the business to be transacted at such meeting. Notice shall be deemed to have been given if it is sent by telex, or sent by prepaid single registered mail, at least Twenty One (21) Days prior to such meeting and addressed;
 - a) to a member as set out in Article XV paragraph 9(a); and
 - b) to a Director at the last address shown on the records of the Association for that Director.
- 3) A notice required by Article XV paragraph 2 may be waived with the consent in writing of such person.
- 4) All books and records of the Association may be inspected by members of the Association, at the head office of the Association, as may be determined from time to time, any Monday to Friday (excepting Statutory Holidays) between the hours of 9:00 AM and 4:00 PM.
- 5) This By-Law shall be governed by and interpreted in accordance with the laws of the Province of Alberta.
- 6) Notwithstanding any other provisions of this By-Law, with the approval of the Board of Directors of the Association, special projects of one or more of the members of the Association may be conducted under the auspices and banner

of the Association. In such case, the Board of Directors, subject to approval by the members of the Association may develop a special fee structure and voting arrangement suitable for that project.

- 7) If any provision of this By-Law or application thereof to any person or circumstances shall be invalid or unenforceable to any extent, the remainder of this By-Law and the application of such provision or other members or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by the law.

Dated this 5th day of September A.D. 1984.

Amended the 19th day of December A.D. 1986.

Amended the 16th day of November A.D. 2002.

Amended the 29th day of November A.D. 2003.