

Bylaws
of the
Virginia Arabian Horse Association, Inc.

ARTICLE I OBJECTIVE

The Virginia Arabian Horse Association (VAHA) is organized as an affiliate of the Arabian Horse Association (AHA) as a non-stock, non-profit corporation exclusively to promote and improve the Arabian horse industry in Virginia without pecuniary gain or profit to its members or to any private individual. Its purpose shall be to encourage the promotion and breeding of Arabian, Half-Arabian and Anglo-Arabian horses, and generally to promote the common interests of the Arabian horse industry and all segments thereof.

ARTICLE II OFFICES

SECTION 2.01 Principal Office. The principal office of VAHA shall be at the current VAHA President's principal residence or at such other address in Virginia as the Directors may from time to time determine.

SECTION 2.02 Registered Office. The registered office of VAHA shall be the current VAHA President's principal residence or at such other address in Virginia as the Directors may from time to time determine.

ARTICLE III MEMBERSHIP

SECTION 3.01 Eligibility. Members may be persons interested in the objectives and purposes of VAHA, who shall become members from time to time in accordance with the provisions of these Bylaws.

SECTION 3.02 Classes of Membership. VAHA shall have the following classes of Membership:

- (i) Individual Membership. Available to any individual who meets the eligibility requirements and who pays the membership fee as provided for in Section 10.01. This class of membership includes one paid annual Individual Affiliate membership to the AHA.
- (ii) Family Membership. Available to any family who meets the eligibility requirements and who pays the membership fee as provided for in Section 10.01. This class of membership includes two paid annual Individual Affiliate memberships to the AHA. A family membership shall be deemed to include two adults and their children under the age of eighteen or two adults residing in the same household.
- (iii) Breeder Membership. Available to any breeder who meets the eligibility requirements and who pays the membership fee as provided for in Section 10.01. This class of membership includes two paid annual Individual Affiliate memberships to the AHA.
- (iv) Youth Membership. Available to any individual under the age of eighteen years who meets the eligibility requirements and who pays the membership fee as provided in Section 10.01. This class of membership includes one paid annual Youth Affiliate membership to the AHA.
- (v) Associate Membership. Available to any individual who meets the eligibility requirements and who pays the membership fee as provided for in Section 10.01. This class of membership does not include membership to the AHA.
- (vi) Youth Associate. Available to any individual under the age of eighteen who meets the eligibility requirements and who pays the membership fee as provided for in Section 10.01. This class of membership does not include membership to the AHA.

- (vii) **Honorary Membership.** Honorary membership may be granted to such persons as the Board of Directors may from time to time direct. This class of membership does not include membership to the AHA.

SECTION 3.03 Termination of Membership. No membership shall be transferable and each membership shall terminate at any time upon the resignation of the member. A membership may be terminated by vote of the Directors at any regular or special meeting at which a quorum is present and for which notice was given as prescribed in these Bylaws upon receiving an affirmation vote at least equal to two-thirds of the Directors present at such meeting.

SECTION 3.04 Rights and Privileges. So long as a member remains in good standing, an individual shall be entitled to and enjoy all the rights and privileges accorded by membership provided, however, the Board of Directors may from time to time deny certain rights and privileges to an individual member.

SECTION 3.05 Good Standing. A member is in good standing if membership fees are current and there are no financial obligations owed to VAHA.

SECTION 3.06 Voting Rights. Each Individual, Family and Breeder Member eighteen years of age or over, and in good standing, shall have the right to vote on all appropriate matters; however, no more than two votes shall be allowed per Family and Breeder memberships. Youth, Youth Associate, Associate, and Honorary Memberships shall not have voting rights.

ARTICLE IV MEETINGS OF MEMBERS

SECTION 4.01 Annual Meeting. The annual meeting of the members of VAHA, for the purpose of the installation of Officers and Directors for the ensuing year and for such other matters as may be appropriate to properly come before the meeting, shall be held during November, or at such other time as may be designated by the Directors in the notice of such meeting.

SECTION 4.02 Special Meetings. A special meeting of the members may be called at any time by the President, by the Executive Committee, or by three or more Directors, or by two-thirds of the membership.

SECTION 4.03 Place of Meetings. Each meeting of the members shall be held at such place within Virginia as may be designated in the notice of such meeting.

SECTION 4.04 Notice and Waiver. Written notice of such meeting of the members shall be given by or at the direction of the officer or other person calling the meeting. Such notice shall state the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called. A copy thereof shall be delivered personally or mailed with postage prepaid, not less than fourteen days or more than fifty days before such meeting to each member entitled to vote at such meetings; and, if mailed, it shall be directed to each member's address as it appears on the records of VAHA.

Anything in these Bylaws or in any resolution adopted by the Board of Directors to the contrary notwithstanding, proper notice of any meeting of the members shall be deemed to have been given to any member if such notice shall be waived by the member in writing before or after the meeting. A member who attends a meeting shall be deemed to have had timely and proper notice thereof, unless the member attends for the express purpose of objection to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 4.05 Quorum. Except as otherwise provided by law, at any meeting of the members, the presence of 20 percent of the members entitled to vote at such meeting shall constitute a quorum for the transaction of business. In the absence of a quorum, a majority of voting members present may adjourn the meeting from time to time and from place to place until a quorum is obtained.

SECTION 4.06 Organization. At every meeting of the members, the President or, in the absence of the President, the First Vice President or, in the absence of the First Vice President, the Second Vice President shall act as Chairperson of the meeting. If none of these is present a person chosen by the majority of the Directors present shall act

as Chairperson. The Recording Secretary, or in the absence of the Recording Secretary, any person appointed by the Chairperson shall act as Secretary of the meeting.

SECTION 4.07 Business and Order of Business. At each meeting of the members such business as may be appropriate for such meeting, whether or not such business is stated in the notice of meeting or in a waiver or notice thereof, except as otherwise by law or by these Bylaws expressly provided. The order of business of all meetings of members shall be determined by the Chairperson.

SECTION 4.08 Action without a Meeting. Any action required or any action, which may be taken at a meeting of the members, may be taken without a meeting by a return written ballot of 20 percent of members entitled to vote.

ARTICLE V DISTRICTS

SECTION 5.01 Boundaries. The state shall be divided into geographic districts as follows:

District 1 – The counties of Frederick, Clarke, Warren, Shenandoah, Page, Rockingham, Augusta, Highland, Bath and Rockbridge and any city included within the boundaries of this district.

District 2 – The counties of Allegheny, Botetourt, Craig, Henry, Patrick, Franklin, Carroll, Floyd, Roanoke, Giles, Montgomery, Pulaski, Wythe, Bland, Grayson, Smyth, Washington, Tazewell, Buchanan, Russell, Scott, Wise, Lee, and Dickenson and any city included within the boundaries of this district.

District 3 – The counties of Arlington, Fairfax, Loudoun, Fauquier, and Prince William and any city included within the boundaries of this district.

District 4 – The counties of Rappahannock, Culpeper, Madison, Greene, Orange, Stafford, Spotsylvania, King George, Caroline, Westmoreland, Albermarle, Louisa, and Fluvanna and any city included within the boundaries of this district.

District 5 – The counties of Essex, King and Queen, King William, New Kent, Hanover, Henrico, Goochland, Powhatan, Cumberland, Prince Edward, Nottoway, Dinwiddie, Chesterfield, Prince George, and Charles City and any city included within the boundaries of this district.

District 6 – The counties of Brunswick, Greensville, Southhampton, Sussex, Surrey, Isle of Wight, Suffolk, Chesapeake, Virginia Beach, York, James City, Gloucester, Mathews, Middlesex, Lancaster, Richmond, Northumberland, Accomack, and Northampton and any city within the boundaries of this district.

District 7 – The counties of Bedford, Amherst, Campbell, Appomattox, Charlotte, Halifax, Lunenburg, Mechenburg, Pittsylvania, Nelson, and Buckingham and any city included within the boundaries of this district.

SECTION 5.02 Changes in district boundaries or additions/dissolutions of districts shall be considered by the Board of Directors at the written request of any member. The decision by the Board of Directors regarding the location of district boundaries shall be final.

SECTION 5.03 District Membership. Each member may designate, by so stating on the application form or in writing to the membership chairperson, the District with which said member shall be associated. Any member not so designating shall be considered to be associated with the District in which the member resides, or in the case of out-of-state members, the District closest to such member's residence.

SECTION 5.04 Board of Directors Representation. Each District may be represented on the Board of Directors by one District Director who shall serve a one year term.

SECTION 5.05 Alternate Representation. Each District may also be represented on the Board of Directors by an Alternate District Director in the event of the District Director's absence.

SECTION 5.06 Administration. The District Director and Alternate Director of each District shall be responsible and accountable to the Board of Directors and to members of their District for the operation, administration, and activities of their respective District.

SECTION 5.07 Funds and Reporting Requirements. The District Director and Alternate District Director shall have custody of those VAHA funds used to conduct the business of the subject District. They shall deposit said VAHA funds in the name of the subject District in a bank or savings and loan association insured by the Federal Deposit Insurance Corporation. They shall keep accurate records of all receipts and disbursements and shall submit in writing to the VAHA President and Treasurer quarterly financial reports and an annual report.

ARTICLE VI BOARD OF DIRECTORS

SECTION 6.01 General Powers. The business and affairs of VAHA shall be managed by a Board of Directors, and all corporate powers shall be exercised by the Board of Directors, except as otherwise expressly required by law, the Articles of Incorporation, or these Bylaws.

SECTION 6.02 Number. Until changed by an amendment to these Bylaws, the Board of Directors shall consist of the Officers specified in Article VII of these Bylaws, the immediate Past President and 11 members in good standing elected either as District Directors or Directors-at-Large, each entitled to one vote.

SECTION 6.03 Election and Term of Office. A Board of Directors shall be elected annually as specified in Article IX, and each Officer, Director-at-Large, District Director and Alternate District Director shall hold office until the close of the annual meeting after the next election, or until a successor shall have been elected, or until death, resignation or removal.

SECTION 6.04 District Directors and Alternate District Directors. The district voting membership as specified in Article IX shall elect each District Director and Alternate District Director for one year.

SECTION 6.05 Directors-at-Large. The number of Directors-at-Large to be elected shall be four (4) and shall be elected by the general voting membership as specified in Article IX . Should a District fail to provide a District Director, the number of Directors-at-Large shall be increased by one for each vacancy.

SECTION 6.06 Quorum and Manner of Acting. A majority of the Board of Directors shall constitute a quorum for the transaction of business of the Board of Directors. In the absence of a quorum, a majority of the Directors present may adjourn the meeting from time to time until a quorum can be had. The Directors shall act only as a Board and the individual Directors shall have no power as such.

SECTION 6.07 District Vacancies. Vacancies in any District Directorship may be filled by the respective Alternate District Director. Vacancies in any Alternate District Directorship may be filled by the respective District, subject to the approval of the Board of Directors.

SECTION 6.08 Director-at-Large or Officer Vacancies. Vacancies in any Director-at-Large office or Officer position, other than the President, may be filled for the unexpired term by the majority vote of the remaining Directors then in office at any regular or special meeting of the Board of Directors.

SECTION 6.09 Removal. Any Officer, Director-at-Large, District Director or Alternate Director may be removed at any time, either with or without cause, by the affirmative vote of two-thirds of the Board of Directors at a regular or special meeting called expressly for that purpose, at which a quorum shall be present.

SECTION 6.10 Organization. At each meeting of the Board of Directors, the President, or, in the President's absence, the First Vice President, shall act as Chairperson. In the absence of the President and the First Vice President, the Second Vice President shall act as Chairperson. If none of these is present, a person chosen by the majority of the Directors present shall act as Chairperson. The Recording Secretary or in the absence of the Recording Secretary, any person appointed by the Chairperson, shall act as Secretary of the meeting.

SECTION 6.11 Annual Meeting. The annual meeting of the Board of Directors for the purpose of the transaction of such business as may properly come before the Board shall be held on the same day and place as the annual meeting of the members. Such annual meeting may be held at any other time or place specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or in a waiver of notice thereof.

SECTION 6.12 Regular Meetings. There shall be at least three regular meetings of the Board of Directors in addition to the annual meeting each year. Time and place of these meetings shall be set by the President in concert with the Board of Directors; unless required by resolution of the Board of Directors, notice of any such meeting need not be given.

SECTION 6.13 Special Meetings. Special meetings of the Board of Directors shall be held whenever called by the President, or by any three or more Directors for a specific purpose and no other. Notice of each such meeting shall be mailed to Directors, addressed to their residence or usual place of business, at least seven days before the date on which the meeting is to be held; or such notice shall be delivered to each Director personally or by telephone not later than seventy-two hours before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting.

SECTION 6.14 Waivers of Notice of Meetings. Anything in these Bylaws or in any resolution adopted by the Board of Directors to the contrary notwithstanding, proper notice of any meeting of the Board of Directors shall be deemed to have been given to any Director if such notice shall be waived by the Director in writing before or after the meeting. A Director who attends a meeting shall be deemed to have had timely and proper notice, unless the Director attends for the express purpose of objection to the transaction of any business because the meeting is not lawfully called or convened.

SECTION 6.15 Responsibilities. Each member of the Board of Directors shall attend at least 50% of the Board of Directors' meetings during the VAHA fiscal year. Any member not in compliance may be removed from the Board of Directors pursuant to Section 6.09.

SECTION 6.16 Resignations. Any Director may resign at any time by notifying the President in writing. The President will then notify the Board of Directors. Such resignations shall take effect at the time therein specified.

SECTION 6.17 Committees. The President shall serve as an ex officio member of all committees.

- (i) Executive Committee. The President may by resolution designate three or more Directors, including in each case the President, as an Executive Committee. While the Board of Directors is not in session, the Executive Committee, if there then be such a Committee, shall have and exercise the authority of the Board of Directors in the management and the business and affairs of VAHA, subject to the restrictions hereinafter set out and further subject to such limitations upon its authority as the Board may, from time to time, impose.
- (ii) Standing Committees. The Board of Directors shall, at the first meeting following the annual meeting, appoint two or more members to serve on each of the following standing committees:
 - A. Nominating Committee. It shall be the function of this committee to present a slate of Officers, Directors-at-Large, District Directors, Alternate District Directors, and Delegates to the members and to carry out such other duties as required by these Bylaws.
 - B. Audit Committee. It shall be the function of this committee to examine the books of the Treasurer and all accounts of VAHA. The Committee shall make a report of such examination at the conclusion of the fiscal year which shall be presented to the Board of Directors no later than 60 days after the end of the fiscal year.
 - C. Annual Meeting Committee. It shall be the function of this committee to plan and organize the annual general membership meeting of the members.
 - D. Membership Committee. It shall be the function of this committee to promote and maintain the record of membership of VAHA.

- (iii) Special Committees. The President may by resolution at any meeting designate other committees of limited authority, each such committee to consist of two (2) or more members.

A majority of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of the committee. Members of any such committee shall act only as a committee and the individual members shall not have power as such.

The President with a two-thirds vote of the Board of Directors shall have the power at any time to change the members of, fill vacancies in, and discharge any such committee with or without cause. The appointment of any member to any such committee, if not sooner terminated, shall automatically terminate upon the appointment of a successor or upon the earlier cessation of that individual's membership. No member may serve on more than three (3) standing committees concurrently or serve as chairperson of more than two (2) standing committees concurrently.

SECTION 6.18 Action by Directors without a Meeting. Any action (a) required to be taken at a meeting of the Board of Directors; (b) which may be taken at a meeting of the Board of Directors; or (c) of a committee established by the Board of Directors, may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed before such action by all of the Directors or all of the members of the committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote.

ARTICLE VII OFFICERS

SECTION 7.01 The officers of VAHA shall be the President, First Vice President, Second Vice President, Recording Secretary, Corresponding Secretary, and Treasurer and such officers as may be established in accordance with the provisions of Section 6.02. Any two or more offices may be held by the same person, provided only that the same person shall not hold the offices of both President and Recording Secretary or Treasurer.

SECTION 7.02 President. The President shall preside at the annual meeting, meeting of the members and Board of Directors' meetings. With the exception of the Standing Committees, the President shall appoint all committees that serve at the pleasure of the President and be an ex officio member of all committees. Within the limitations imposed by the Articles of Incorporation, these Bylaws and any duly adopted Resolution, the President shall have the general power to conduct and manage the affairs and business of VAHA.

SECTION 7.03 First Vice President. The First Vice President shall assume the duties of the President in the event of the President's absence or inability to act and shall have other duties, respectively as may be specifically delegated by the President.

SECTION 7.04 Second Vice President. The Second Vice President shall assume the duties of the First Vice President in the event of the First Vice President's absence or inability to act and shall have other duties, respectively as may be specifically delegated to by the President.

SECTION 7.05 Treasurer. Except as may otherwise be specifically provided by the Board of Directors or any duly authorized committee thereof, the Treasurer shall have oversight of all state, district and committee funds and securities. The Treasurer shall receive financial reports pursuant to Section 5.07 and all committee fiscal end financial reports.

The Treasurer shall receive and receipt for all money paid to VAHA; deposit all such monies in the name of VAHA in such banks, trust companies or other depositories; against proper vouchers, cause such funds to be disbursed on the authorized depositories of VAHA; regularly enter or cause to be entered in books full and adequate accounts of all money received and paid for on behalf of VAHA; and, in general, perform all the duties incident to this office.

SECTION 7.06 Recording Secretary. The Recording Secretary shall act as a Secretary for all meetings of the members of the Board of Directors of VAHA; keep the minutes thereof in a book; be the custodian of the seal of VAHA and affix the seal or cause it to be affixed to all documents the execution of which on behalf of VAHA under its corporate seal is duly authorized in accordance with the provision of these Bylaws; have charge of the books, records and papers of

all VAHA relating to its organization and management as a corporation; and, in general, perform all the duties incident to this office.

SECTION 7.07 Corresponding Secretary. The Corresponding Secretary shall be responsible for all correspondence and communications between VAHA and its members or third parties not otherwise delegated by the Bylaws or the Board of Directors; perform such other duties as from time to time may be assigned or delegated by the Board of Directors, and, in general, perform all duties incident to this office.

ARTICLE VIII REGION 15 DELEGATES TO AHA

SECTION 8.01 Number. The number of Delegates to the annual AHA convention is determined pursuant to Article VI of the AHA Bylaws.

SECTION 8.02 Election and Term of Office.

- A. Persons who are willing to assume the responsibility to serve as a Delegate or Alternate should submit their intent in writing to the Chairperson of the Nominating Committee stating their qualifications and commitment to (1) Be active in a VAHA District; (2) Attend VAHA meetings; (3) Participate and volunteer at VAHA events; (4) Attend AHA Region 15 meetings; and (5) Attend the AHA Convention, possibly at considerable personal expense.
- B. Those persons who have submitted their intent in writing in accordance with Section 7.02 (A) and who have received Board approval, will have their names placed on the annual election ballot as Delegates to be voted on by the general membership.
- C. Ranking of Delegates and Alternate Delegates shall be determined by the number of votes received. In case of a tie in the number of votes, determination of ranking shall be made by the Board of Directors.
- D. Should there be a decrease in VAHA membership causing an excess of Delegates, those receiving the least number of votes will be removed first and added to the beginning of the Alternate list.
- E. Should VAHA be permitted a greater number of Delegates than available on the Delegate or Alternate list, the required number of additional Delegated may be appointed by a majority of the Directors to serve until the next annual meeting.
- F. **The presiding President shall be designated one of VAHA's eligible Delegates for the year of his/her term of office.**

SECTION 8.03 Responsibilities.

- A. Delegates and Alternate Delegates shall attend at least 50% of VAHA Board of Directors' meetings and not be absent from more than one Region 15 meeting during any fiscal year. Any Delegate or Alternate Delegate who has not fulfilled the responsibilities of this Section shall remain eligible to represent VAHA only at the discretion of the Board of Directors.
- B. The Delegates shall present current resolutions for the annual AHA Convention to the membership prior to the convention.
- C. The Delegates shall present any resolutions and proposals to the convention.
- D. The Delegates shall report to the membership all important resolutions passed at the convention.
- E. Delegates and Alternates will serve for a term of one year, and will take office at the close of the annual meeting.

SECTION 8.04 Removal and or Substitution of Delegates.

- A. Delegates may be removed by the Board of Directors for failure or inability to carry out the responsibilities provided for in Section 8.03. Should a Delegate be removed, the Delegate list shall be advanced in order of ranking.
- B. Should VAHA be represented by less than the maximum number of Delegates at any function at which Delegates may vote, the absent or incapacitated Delegates' positions shall be filled first by the next Alternate on the Delegate list. If insufficient Alternates are available, such positions may be filled by VAHA member, approved by a majority of those Delegates in attendance and by the President of VAHA. Such substitute Delegate shall serve only for the single function for which approved.

SECTION 8.05 Resignation. Delegates and Alternate Delegates may resign at any time by notifying the President in writing. The President will then notify the Board of Directors. Should a Delegate resign, the Delegate list shall be advanced in order of ranking.

SECTION 8.06 Vacancies. Should a Delegate's position become vacant, the Delegate list shall be advanced in order of ranking.

ARTICLE IX NOMINATIONS AND ELECTION

SECTION 9.01 At least 60 days prior to the annual meeting, each nominee shall submit to the Nominating Committee, qualifications for the office sought for distribution to all voting members with the ballots. The slate of nominees, as presented by the Nominating Committee, shall be approved by the Board of Directors.

SECTION 9.02 Additional nominations with written qualifications of said nominee will be accepted on petition of ten members in good standing; the petitions must be presented to the Nominating Committee for approval by the Board of Directors no later than 45 days prior to the annual meeting.

SECTION 9.03 The Nominating Committee shall mail to each voting member a ballot listing the nominees for each office and positions for Director-at-Large, District Director, Alternate District Director, and AHA Delegates within 45 days of the annual meeting.

SECTION 9.04 Each ballot is to be arranged so that it may be cast through the mail without disclosing the voter's name. Such ballots, to be counted, must be postmarked no later that 15 days prior to the annual meeting.

SECTION 9.05 Each member entitled to vote may do so by mail ballot for one of each officer position to be elected, a specified number for each Director-at-Large position to be elected, and a specified number for each AHA Delegate to be elected. Each member entitled to vote may also cast a vote for the District Director and Alternate District Director of that member's District.

SECTION 9.06 No member may be elected more than three consecutive years in the same office as an Officer, Director-at-Large, District Director or Alternate District Director. No member may be elected five consecutive years in any elected position, except the immediate past President.

SECTION 9.07 No member may be elected for more than 5 consecutive years as an AHA Delegate.

SECTION 9.08 All elections require a return written ballot of 20% of members entitled to vote.

ARTICLE X FEES AND ASSESSMENTS

SECTION 10.01 Annual Fees. All members shall pay to VAHA annual fees in such amount as prescribed by the Board of Directors. Until otherwise provided for by the Board of Directors, dues shall be payable by December first of each year. Membership records shall be kept current by a Membership Chairperson.

SECTION 10.02 Any member thirty days in arrears in payment of dues shall be dropped from VAHA and shall have no further rights until reinstated.

ARTICLE XI CONTRACTS, CHECKS, DRAFTS, BANK ACCOUNTS, DEPOSITS AND OTHER DOCUMENTS

SECTION 11.01 Execution of Contracts and Other Documents. The Board of Directors or any duly authorized committee of Directors, except as by law or by these Bylaws otherwise required, may authorize any officer or officers, agent or agents, in the name of and on behalf of VAHA to enter into any contract, execute any deed or other instrument, and any such authority may be general or confined to specific instances.

SECTION 11.02 Checks, Drafts, Etc. All checks, drafts and other orders for payment of money out of the funds of VAHA shall be signed on behalf of VAHA in such a manner as shall from time to time be determined by resolution of the Board or of any duly authorized committee of Directors.

SECTION 11.03 Deposits. The funds of VAHA not otherwise employed shall be deposited from time to time to the order of VAHA in such banks, trust companies or other depositories as the Board of Directors or any duly authorized committee of Directors may from time to time select.

SECTION 11.04 Archival Documents. All archival documents including, but not limited to, Bylaws, Articles of Incorporation, financial records and approved Board of Directors' minutes shall be maintained at a central location designated by the Board of Directors.

ARTICLE XII MISCELLANEOUS

SECTION 12.01 Seal. The corporate seal shall contain the name of VAHA, the year of its creation, and the words "Corporate Seal, Virginia," and shall be in such form as may be approved by the Board of Directors.

SECTION 12.02 Fiscal Year. The Fiscal Year of VAHA shall end on the last day of November in each year.

SECTION 12.03 Acceptance of Gifts, Donations, Etc. Any gift, donation, bequest or subscription to VAHA shall be deemed to have been accepted only when acted upon affirmatively by the Board of Directors or any duly authorized committee.

ARTICLE XIII INDEPENDENT GOVERNANCE

SECTION 13.01 Conflict of Interest. No part of the income or assets of VAHA shall inure to the benefit of any of its officers, directors or delegates, nor shall it engage in any transaction in which a director, officer or delegate has a materially conflicting interest resulting from any relationship or business affiliation with a person or entity with which VAHA proposes to do business.

A non-business conflict of interest may exist when the interest and concerns of any director, officer or delegate, or said person's immediate family, or any party, group or organization to which said person has any allegiance, may be seen as competing with the interest and concerns of VAHA. When there is a doubt as to whether a conflict of interest exists, the matter shall be resolved by a two-thirds vote of the Board of Directors excluding the person (if a director or an officer) concerning whose situation the doubt has arisen.

SECTION 13.02 Disclosure. Any possible conflict of interest, business or non-business, shall be disclosed to the Board of Directors of VAHA by the person concerned. When any such conflict of interest is relevant to a matter requiring action by the Board of Directors, the interested person shall call it to the attention of the Board (or any relevant committee considering the matter) and such person (if a director) shall not vote on the matter. Furthermore, the interested person shall retire from the room in which the Board (or its committee) is meeting, and shall not participate in the final deliberation or decision regarding the matter under consideration. However, the person shall provide the Board or committee with any and all relevant information. The minutes of the meeting of the Board or committee shall reflect that the conflict of interest was disclosed and that the interested person was not present during the final discussion or vote and did not vote.

SECTION 13.03 Annual Review and Notice. The independent governance policies of VAHA, as set forth in these Bylaws, shall be reviewed annually for the information and guidance of the directors, officers and delegates. All new directors, officers and delegates shall be advised of the policy upon undertaking the duties of such office.

ARTICLE XIV INDEMNIFICATION

- A. VAHA shall indemnify any of its directors, officers or delegates who are made party to a proceeding because they are, or were, directors, officers or delegates, against any expenses (including attorneys' fees), judgment, decree, fine, penalty, and amounts paid in settlement, actually and reasonably incurred, to the extent authorized by Title 13.1, Chapter 10, Article 9 of the Code of Virginia (1950), as amended, or any successor provision thereto

