

NEW YORK
HORSEMEN'S BENEVOLENT
&
PROTECTIVE ASSOCIATION, INC

BYLAWS

_____, 1990

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ARTICLE I

NAME, DEFINITIONS, PURPOSES

Section 1. Name.

This Association shall be known as NEW YORK HORSEMEN'S BENEVOLENT PROTECTIVE ASSOCIATION, INC., a not-for-profit corporation organized under the laws of the State of New York.

Section 2. Definitions.

As used in the Bylaws:

- (A) "Association" shall mean NEW YORK Horsemen's Benevolent & Protective Association, Inc.;
- (B) "Board of Directors" and "Board" shall mean the Board of Directors of the Association;
- (C) "National Association" shall mean the National Horsemen's Benevolent & Protective Association, Inc., a non-profit corporation organized under the laws of the State of Kentucky, as distinguished from this Association;
- (D) "National Board of Directors" and "National Board" shall mean the Board of Directors of the National Association;
- (E) "Board of Directors," "Board" and "Director" shall mean the elected representatives or representatives of this Association;
- (F) "Horse" shall mean a Thoroughbred racehorse two (2) years of age or older (under the rules of racing) which is not retired from racing and is not retired to breeding, either as a broodmare or stallion;
- (G) In the Bylaws, where applicable, the singular shall be deemed to include the plural and the masculine shall be deemed to include the feminine and vice versa, as the context may require.

Section 3. Purposes.

The purposes of the Association are as follows:

- (A) To promote the sport of Thoroughbred horseracing.
- (B) To institute or aid in any movement that will aid or protect the general welfare of the racing industry, the interest of the horsemen and their employees, and of backstretch personnel.
- (C) To bring about a closer and more understanding relationship between horsemen, Racing Associations, Racing Commissions, and the public.
- (D) To take part and advise with Racing Associations, Racing Commissions and other racing organizations in the establishment of proper rules and conditions that affect in any manner the common interests of horsemen, their employees and backstretch personnel.
- (E) To see that the New York racing laws are adhered to, and to carry out the responsibilities and duties of the Association in accordance with the Racing, Pari-Mutuel Wagering and Breeding Law of the State of New York.
- (F) To promote the establishment of recreation centers at all racetracks.
- (G) To work for the improvement of living conditions of member horsemen's employees, and backstretch personnel at all racetracks.
- (H) To create, establish, and maintain funds to promote any of the foregoing.
- (I) To purchase, take, receive, lease, take by gift, devise or bequest, or otherwise acquire, own, hold, improve, and use real or personal property, or any interest therein, wherever situated. To sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of all or any part of its property and assets.
- (J) To perform any other act or do any other thing authorized by resolution of the Board of Directors that is not inconsistent with law or any provision of these Bylaws to accomplish the purposes of this Association.
- (K) Notwithstanding anything to the contrary contained herein, in no event shall any elected Officer or Director of this Association inure to any of the funds of this Association for his benefit. This does not include reimbursement of funds when on Association business.

ARTICLE II
GOVERNMENT OF THE ASSOCIATION

Section 1. Organization.

The Association shall consist of its members as defined in Article III hereof, the Board of Directors and President elected in accordance with the bylaws, and the other duly elected and appointed Officers of the Association.

Section 2. Bylaws.

The Bylaws shall govern the Association.

Except as otherwise provided herein, all proceedings of the Association shall be conducted in accordance with Robert's Rules of Order, Newly Revised, or as otherwise directed by a vote of the Board of Directors of the Association.

Section 3. Powers - The Board.

- (A) The Board shall be vested with and shall exercise all the powers of the Association and upon it is conferred the management, direction and control of the Association, except as otherwise provided herein.
- (B) The Board shall have the power to censure, suspend or expel any or all of the Officers, Directors, members or employees of the Association for violation of any provision of the certificate of incorporation or Bylaws, for illegal, unethical or unsportsmanlike conduct or for failure to remain in good standing in accordance with the rules of racing in effect where the members race, after a duly held hearing in accordance with the Bylaws.
- (C) The Board shall designate the location of the Association's principal office or offices which may be changed from time to time by the board.
- (D) The President may appoint and employ, shall determine the method of appointment and length of employment of and shall supervise the employment and conduct in office of the Secretary-Treasurer and General Counsel and such other employees as he deems necessary with the consent and approval of the Board.

Section 4. Bylaws Amendments.

An amendment to the Bylaws may be proposed by a signed petition from not less than seventy-five (75) voting members filed with the Secretary-Treasurer and shall not be sent out for vote and for possible adoption until the proposed amendment has been discussed and approved by the Board of Directors.

Except as otherwise provided herein, amendments shall be adopted by the vote of all individual voting members and an amendment shall not be considered adopted unless at least a majority of individual voting members vote on the question, and approval is indicated by at least a two-thirds (2/3) affirmative vote of those voting.

Upon the proposal of an amendment, the Secretary-Treasurer shall mail a copy thereof, together with a ballot and addressed return envelope to each voting member. A ballot postmarked within thirty (30) days and received within forty-five (45) days after such mailing shall be counted in determining the adoption or rejection of the proposed amendment. Ballots on a proposed amendment shall be retained unopened by the Secretary-Treasurer until the next meeting of the Board and shall be opened and counted at the direction of the Board.

Section 5. Obligations of the Association.

All notes, checks and other negotiable instruments of the Association shall be signed by any two of the following: President, Vice President, Secretary-Treasurer. No notes, mortgages or negotiable instruments other than checks may be signed by any Officer and/or employee without prior approval of the Board of Directors.

No Officer, either singly or with others, shall have the power to make any note, check or other negotiable instrument binding upon the Association except as set forth in this Section 5.

Section 6. No Discrimination.

The entire strength of the Association shall be given in support of any Officer or Director or any members acting officially for the Association who obviously has been discriminated against in the allocation of stalls or in any other respect, on account of his activities on behalf of the Association in accordance with the Bylaws.

Section 7. Use of the Association Name.

No one, whether a member of the Association or otherwise, shall be permitted to use the name and prestige of the Association for his personal benefit, commercially or otherwise, without the express permission of the Board. A publication shall only use the name of the Association if it is reviewed and approved by the Board.

Section 8. Official Publication.

The Association hereby designates the Horsemen's Journal as the official publication of the Association. Each member has the responsibility for furnishing his correct permanent mailing address to the Secretary-Treasurer to ensure his receiving the Horsemen's Journal.

Section 9. Subsistence and Travel Expense Reimbursement.

Any Officer, Director, or employee of the Association and his or her spouse may be reimbursed for subsistence and travel expense while in travel status on official business of the Association and the National Association, and attendance at Board and National Board meetings, except as otherwise restricted in the Bylaws.

Section 10. Contract Negotiations.

This Association shall represent horsemen and may bargain collectively with Racing Associations and other organizations and trade associations in an attempt to reach agreements with respect to the working conditions affecting racing. If, however, an impasse is reached and the Association is unable to arrive at an agreement concerning such conditions of racing, then the sole additional functions of the Association shall be limited to reporting to the horsemen the status of negotiations and obtaining the sentiment of the horsemen with respect to a future course of action.

It shall be the declared policy of the Association that the Association shall under no circumstances participate with or act jointly with any other organization or association relating to Thoroughbred racehorses with respect to negotiations or any other matter that could ultimately result in the withholding of racing entries.

Section 11. Contracts.

No contract shall be made with a Racing Association for more than three years.

Any contract that has been executed by a Racing Association and this Association shall be in writing and shall be signed by both parties thereto. It shall be made available to members of the Association and the National Association on request.

It shall be the declared policy of the Association that the Association and all of its members shall abide and be firmly bound by any contract or other legal commitment entered into by the Association on behalf of horsemen. The Association and all of its Officers, agents and employees shall utilize all powers of persuasion and legal means at their disposal to implement this policy.

ARTICLE III MEMBERSHIP

Section 1. Eligibility.

Except as otherwise provided in this section, any owner or trainer of a Thoroughbred racehorse who is currently licensed as such by any Racing Commission in the United States or Puerto Rico and who starts a Thoroughbred racehorse in a qualifying race within the jurisdiction of this Association, shall be eligible for membership in the Association. Any partnership, corporation or other association that is so licensed and that starts a Thoroughbred racehorse in a qualifying race within the jurisdiction of this Association shall likewise be eligible for membership. Notwithstanding the foregoing, any member who, directly or indirectly, has an ownership interest of not less than the minimum percentage required for licensing of a person or entity by the Racing Commission or Board having jurisdiction over race meetings at which members of the Association participate, shall be entitled to cast one vote in the Association's elections.

Section 2. Membership.

Any person or entity eligible for membership in the Association shall become a member at such time as such person, or the entity through which eligibility for membership is established, shall start a Thoroughbred racehorse in a qualifying race (which is a race on which pari-mutuel wagering is authorized within the jurisdiction of this Association), unless the Association is notified in writing that such person or entity does not desire to be a member.

Section 3. Honorary Membership.

Any person who has performed some distinguished service to the sport of Thoroughbred racing and who is not already a member of this Association may be elected as an honorary member of the Association. Such election shall take place only at a Board meeting. An honorary member shall not be required to pay dues or make contributions to the Association and shall not be entitled to vote or hold office in the Association.

Section 4. Duties of Membership.

- (A) It shall be the duty of every member of the Association to conduct himself at all times in such manner as to merit the respect of the public and to act at all times in the best interests of the NEW YORK Horsemen's Benevolent & Protective Association, Inc.
- (B) Every member of the Association, by accepting the benefits of membership, agrees to abide by the Bylaws of the Association, any order or decision of the Board of Directors, and to accept as final the decision of the Board of Directors after a hearing and agrees to hold the Association, its Officers, Directors and employees harmless for any action taken or not taken.
- (C) Contributions. Where not otherwise specified by law, contract or other arrangement, each member shall contribute to the Association not less than one percent (1%) of any purse. Where a contract, law or other arrangement exists between the Association and a racetrack for a different deduction, all horsemen racing at the racetrack shall be subject to such deduction from any purse, in lieu of the hereinbefore prescribed deduction.

Unpaid contributions remain the obligation of a member, irrespective of a change in the jurisdiction in which he may be racing. The Board of Directors or the Secretary-Treasurer shall notify each member leaving the jurisdiction of the Association with an unpaid balance by letter to said member stating that he is in default in the payment of his contributions, giving the amount thereof, and warning said member that his failure to pay same will be deemed a resignation from the Association, that he is subject to suspension or expulsion for his failure to make said payment and that he will no longer be entitled to the privileges and benefits of the Association and the National Association.

Section 5. Tenure of Membership.

- (A) Tenure. A member of the Association shall remain as such, (1) so long as he, or the entity through which membership is established, is a licensed owner, owner-trainer, or trainer of a Thoroughbred racehorse, (2) until the close of the calendar year following the last calendar year during which he, or such entity, started such a horse in a qualifying race within the jurisdiction of this Association, (3) so long as he is not (unless the consent of two-thirds (2/3rds) of the elected members of the Board of Directors of this Association has first been obtained) a member of any other rival organization that represents owners' and trainers' interests and property rights, concerning simulcasting, off-track betting or interest on owners' deposits in horsemen's bookkeeper accounts, and (4) unless he earlier resigns, is suspended, or is expelled by the Association, as provided herein.
- (B) Resignation. A member may resign from the Association by (1) written resignation; or (2) by failing or refusing to allow contributions to be deducted from purses either by direction to that effect or by knowingly accepting a check from the horsemen's bookkeeper from which no such deduction for Association dues has been made; and not having corrected the deficiency promptly upon demand.
- (C) Suspension or Expulsion. A member of this Association may be suspended or expelled from membership by a two-thirds (2/3rds) vote of the elected members of the Board of Directors, following a hearing for violation of any provisions of the Bylaws, or for illegal, unethical or unsportsmanlike conduct, or for failure to remain in good standing in accordance with the rules of racing adopted by the state where this Association's membership exists. A member shall be given reasonable notice of the hearing and shall have the right to be heard in person or by counsel and to introduce evidence on his behalf.

While a member is suspended no benefits will be provided to that member, nor shall he enjoy the rights and privileges of membership.

Any Officer or Director may be suspended or removed from office by a two-thirds (2/3rds) quorum vote of the elected members of the Board of Directors, following a hearing, for violation of any provision of the Bylaws, or for any other cause or reason deemed detrimental to the best interests of the Association. The Officer or Director shall be given reasonable notice of the hearing and shall have the right to be heard in person or by counsel and to introduce evidence on his behalf.

ARTICLE IV ELECTIONS AND VOTING

Section 1. Supervision of Elections.

All Association elections shall be under the supervision of the Board of Directors. An Election Committee of three (3) members shall be appointed by the President of the Association with the approval of the Association's Board of Directors no less than sixty (60) days before the first nominating meeting. The three (3) members appointed to the Election Committee shall be neither members of the Board nor candidates for any offices. The Election Committee shall be responsible for seeing that the election is run in accordance with the Bylaws. The Election Committee shall attend the opening and counting of the ballots; no one else shall be entitled to attend the counting of ballots as a matter of right.

Section 2. Elections.

An election shall be held every three (3) years to elect a President and Board of Directors, who shall hold office during their term and until their successors are elected. The first such election shall be held on or about the third anniversary of the last election conducted by the predecessor unincorporated association. Pending that election, the Officers and Directors last elected to office in the predecessor unincorporated association are continued in those respective offices of this corporation.

Elections shall be held not less than thirty (30) days before the close of racing conducted in the jurisdiction of the Association.

At least sixty (60) days before the general nominating meeting called for the purpose of receiving nominations for President and members of the Board of Directors, the President, with the approval of the Board of Directors, shall appoint a Nominating Committee consisting of not less than three (3) members for the purpose of making nominations, receiving suggestions and nominations from the membership. The Nominating Committee shall hold one or more meetings, one of which must be before the general nominating meeting. The Nominating Committee shall hold a general nominating meeting to receive nominations from the floor, nominating petitions and to announce its nominations. All nominees must be members of the Association. When more than one general nominating meeting is held, the date of the last general meeting shall be deemed the date of each candidate's nomination. The Nominating Committee shall neither make nor accept any nomination after adjournment of the last general nominating meeting, except that for a period of fifteen (15) days thereafter, additional candidates may be nominated by petition duly signed by at least fifty (50) members in good standing, provided that said petition is filed with the Secretary-Treasurer during said fifteen (15) day period and is accompanied by the candidate's affidavit and policy statement, if any.

There shall be at least one general nominating meeting at a New York Racing Association track. There must be at least thirty (30) members of the Association present at said meeting to constitute a quorum. Those members present shall sign a list evidencing their presence. Nominations by the Nominating Committee shall not require seconds. A nomination from the floor will be accepted if it receives the signature and consent of the person being nominated at the meeting and it shall include the nominator and two (2) seconds, and it must be accompanied by a petition signed by no fewer than thirty (30) members of the Association.

Written notice of the general nominating meeting must be given to the membership of the Association by mailing newsletters or postcards to all members at least twenty (20) days before said general nominating meeting which shall inform each member of his right to nominate, the methods of doing so, the date, time and place of the general nominating meeting and all other information necessary to fully inform each member about the elective process.

Section 3. Candidates.

The Secretary-Treasurer shall notify each candidate of his nomination by certified mail as soon after the nominating meeting as possible.

Within fifteen (15) days of the mailing to each candidate of notice of his nomination for office, said candidate shall complete and mail to the Secretary-Treasurer at the Association's Headquarters an affidavit on a form furnished by the Association that:

- (A) He fulfills the requirements for eligibility for office as provided in this Article;
- (B) He has read the requirements of the Bylaws respecting elections and candidates, agrees to be bound by them, and will obey any decision of the Board of Directors in regard thereto;
- (C) He will run for office, serve if elected and remain eligible during the term of any office to which elected;
- (D) He is not a member, officer or director of rival associations of Thoroughbred horsemen, and has no other relationship that involves a conflict of interest as defined in Article IV, Section 5.

A candidate for office may also mail to the Secretary-Treasurer at the Association's Headquarters with his affidavit a biographical and policy statement of not more than three hundred (300) words within the same time limits required for his affidavit. The statement shall be issued as the candidate's official statement by the Association but shall not be issued, disseminated or used by the Association other than by enclosing a copy with the ballot.

The Secretary-Treasurer shall maintain a list of all persons nominated, their affidavits, biographical and policy statements, and a current membership list of the Association.

A candidate may run for President and for Director at the same time but may serve in only one of such offices if elected.

A protest to a candidate or an election must be in writing and sent by certified mail to the Secretary-Treasurer at the Association's Headquarters. No protest of a candidate or an election may be postmarked after the expiration of seven (7) days following an election. Protests against the eligibility of elected Officers or Directors to continue to serve must be in writing, postmarked and mailed to the Secretary-Treasurer at the Association's Headquarters within seven (7) days following the discovery of facts supporting said protest. The burden shall be upon the protestant to prove that his protest is timely. Each protest shall contain a complete and definite statement of the facts that constitute the alleged violation. The protestant must be prepared to substantiate the protest by personal testimony at a hearing or by sworn testimony, witnesses or other relevant evidence.

All expenses of any kind whatsoever incurred by the protestant and those persons charged with violating any election rules shall be assumed and paid personally by said persons. No expenses of any kind will be assumed or paid by the Association on behalf of any candidate for office or protestant.

An elected candidate shall take office seven (7) calendar days after his election. The lodging of a protest of an election or a candidate shall not affect the status of an elected Officer or Director until a hearing has been held in accordance with the Bylaws.

Write-in candidates are not permitted. No ballot shall provide a space for a write-in candidate.

Section 4. Manner of Voting.

Voting shall be by secret ballot. All voting and election procedures shall be supervised by the Secretary-Treasurer in accordance with the procedures set forth in the Bylaws. Other procedures, not inconsistent therewith, adopted by the Board of Directors for the Secretary-Treasurer to perform his duties with respect to Association elections may be randomly checked by the Association's auditor.

Not less than thirty (30) days and not more than forty-five (45) days prior to an election, the Secretary-Treasurer shall mail in an envelope bearing the Association's return address, the following to the last known address of each owner, owner-trainer, and trainer who is qualified to vote:

- (A) A ballot;
- (B) An unmarked envelope capable of being sealed;
- (C) The approved biographical and policy statement of each candidate; and
- (D) A return envelope addressed to the Secretary-Treasurer at the Association that shall have a space in the upper left-hand corner for the signature and the typed or printed name of the member and that shall have the word "Ballot" and the name of this Association appearing on its face. Said return envelope shall be sent by U.S. mail, postage paid, or shall be marked to indicate that postage will be paid by the addressee.

The Secretary-Treasurer shall use the membership roster of the Association for mailing of ballots. The Secretary-Treasurer shall maintain on a current basis the Association's membership roster. Prior to the mailing of ballots, the Secretary-Treasurer or other duly authorized Association representative shall use reasonable efforts to confirm the identity and address of each member. The Secretary-Treasurer shall send the current membership roster to the National Association's Secretary-Treasurer on a regular basis.

The Secretary-Treasurer or other duly authorized Association representative shall present the same material to any member in person who requests the same in person on the ground that he has not received it by mail. The member shall be required to sign a receipt indicating that he has received the material.

A member shall vote by marking his ballot, enclosing and sealing it in the unmarked envelope, enclosing and sealing that envelope in the return envelope addressed to the Secretary-Treasurer at the Association, making certain that his name is printed or typed in the upper left-hand corner, signing in the upper left-hand corner and personally posting the envelope. Failure to enclose a ballot in the unmarked envelope shall not, in and of itself, constitute a ground for voiding said ballot.

All ballots that are received by the Secretary-Treasurer at the Association prior to the close of business on the day named for the election shall have the date and time of receipt noted thereon. Ballots shall be checked against the list of eligible voters in the Association and shall be counted by the Election Committee. Counting of the ballots shall be under the supervision of the Secretary-Treasurer. After being counted, all ballots, envelopes and tally sheets shall be sealed and retained in the custody of the Association for a period of not less than thirty (30) days or, in the event of a protest, until the final determination of the protest. In the event of duplicate voting, only the latest ballot received shall be counted. No sealed envelope received by the Association shall contain more than one ballot and if more than one ballot is contained therein, all ballots contained in the envelope shall be voided.

The Board of Directors shall have the power to authorize an election for the Association that varies from the provisions of the Bylaws upon written request of not less than fifteen (15) of its members and then only for proper cause. Any election that fails to follow the procedures authorized in this Article IV shall be subject to protest. The Board of Directors shall determine the validity of the protest and may decree the prompt holding of a new election in whole or in part.

Section 5. Other Organizations - Conflicts of Interest.

No person who is or whose spouse is an officer or director of, or employed by a Racing Association, Racing Commission, rival racing or other organization involving a conflict of interest, or owner of a beneficial interest in a business operated at a racetrack shall be put on the ballot as or be a candidate for President or Director of the Association, provided that this prohibition may be waived by a two-thirds (2/3rds) vote of the elected members of this Association's Board of Directors and any such waiver shall be deemed for all purposes as a finding that such waiver is in the best interest of the Association. Notwithstanding the foregoing, such a candidate may make himself eligible without first obtaining Board approval by resigning his or having his spouse resign her position with any such other association prior to the member being placed on the ballot upon providing satisfactory proof of such resignation to the Board of Directors. No person who is elected as Officer or Director may become nor may his spouse become a member of any of the organizations referred to above during the member's term of office, except with the express consent as evidenced by a two-thirds (2/3rds) vote of the elected members of the Association's Board of Directors. To the extent of any such conflicts of interest exist and are waived by the Association's Board of Directors, then the member affected by the conflict of interest shall not have the right nor be empowered to vote or otherwise take any action in his capacity as an Officer or Director with respect to any action or activity relating to the organization which created the conflict of interest.

Section 6. Election of the Board of Directors.

The Board of Directors shall be elected by the Association's voting members. Five (5) Directors shall be owners-only and five (5) Directors shall be trainers or owner-trainers.

No person shall be eligible for nomination or to serve as a Director unless:

- (A) He has been a member in good standing of the Association as defined in Article III for at least fifty percent (50%) of the racing season during the one year immediately preceding the date of his nomination.
- (B) He is a member as defined in paragraph (A), on the date of his nomination, and remains eligible as such, at all times thereafter.
- (C) He has started one or more horses a minimum of five (5) times while a member in the Association in the one year immediately preceding the date of his nomination.

No person shall be eligible to run or be put on the ballot as an owner-only candidate unless he has raced in the Association as an owner-only for at least fifty percent (50%) of the racing season in the Association during the one year immediately preceding the date of his nomination.

No person shall be eligible to run or be put on the ballot as a trainer or owner-trainer candidate unless he has raced in the Association as a trainer or owner-trainer for at least fifty percent (50%) of the racing season in the Association during the one year immediately preceding the date of his nomination.

The term "one year" shall mean the 365 days immediately preceding the date of nomination of a candidate.

Vacancies on the Board other than President shall be filled by naming that Director candidate who received the next highest vote in the election in the appropriate classification.

Section 7. Election of the President.

The President shall be elected by the Association's voting members. No person shall be eligible for nomination or to serve as President or Vice President unless:

- (A) He has been a member in good standing in the Association as defined in Article III for at least fifty percent (50%) of the racing season in the Association during each of the three (3) years immediately preceding the date of his nomination.
- (B) He has been licensed as an owner, owner-trainer or trainer for at least fifty percent (50%) of the racing season in the Association during each of the three (3) years immediately preceding the date of his nomination.
- (C) He has owned or trained horses in the Association for at least fifty percent (50%) of the racing season in the Association during each of the three (3) years immediately preceding the date of his nomination.
- (D) He has started one or more horses a minimum of five (5) times while a member in the Association in each of the last three (3) years immediately preceding the date of his nomination.
- (E) He meets the above qualifications on the date of his nomination.

The term "three years" means the 1,095 days immediately preceding the date of nomination of a candidate. During the first three years of the corporate existence of the Association these eligibility requirements shall be deemed satisfied by membership in the unincorporated predecessor association.

The term "Racing Season" means the number of days of racing (excluding overlapping days) in the Association in a calendar year.

Section 8. Election of the Vice President (s).

The Board of Directors may elect up to two Vice Presidents from among its owners, owner-trainers and trainers. The Board shall designate the number of Vice Presidents and the order of precedence. In case of the resignation, inability to serve because of illness or otherwise, or death of the President, the Vice President (if there is only one) or the First Vice President (if there are two) automatically becomes President for the unexpired term.

The Second Vice President then becomes First Vice President, with the vacancy to be filled in the lowest ranking Vice Presidency by the Board. All candidates for Vice President must fulfill the requirements for eligibility to be elected and serve as President.

ARTICLE V OFFICERS

Section 1. Board of Directors.

(A) Composition.

The Board of Directors shall be composed of a President and ten (10) voting members of the Association, at least one of whom shall be a Vice President. Members of the Board shall each serve for three (3) year terms and until their successors have been duly elected and qualified.

If any member of the Board resigns, is unable to serve because of illness or otherwise, dies, or is absent from five (5) consecutive Board meetings without extenuating circumstances, his position on the Board may be declared vacant by a majority vote of the Board. A vacancy on the Board, regardless of how it occurs, shall be filled by naming that Board candidate who received the next highest vote in the last election, owner replacing owner and trainer replacing trainer. If there is no available alternate, the vacancy shall be filled by the majority vote of the elected members of the Board.

(B) Meetings; Quorum.

Six (6) members of the Board shall constitute a quorum for the conduct of business, but a lesser number may adjourn a meeting from time to time pending attendance of a quorum. The President shall be entitled to vote as a member of the Board. Proxies shall not be permitted or accepted.

The Board shall hold at least two (2) Board meetings each year and such additional meetings as the welfare of the Association may require.

(C) Responsibilities.

The Board shall supervise all affairs of the Association and shall be governed by and subject to the Bylaws.

(D) Liaison with Membership.

The Board of Directors shall, by means of the Horsemen's Journal, a Newsletter, or other appropriate means, maintain close liaison with the membership of the Association and shall keep the membership fully informed concerning all Association business, its own deliberations, and all other matters of interest to horsemen.

(E) Financial Records.

The Board of Directors shall cause an audit to be made of the books of the Association at the end of each of the Association's fiscal years on May 31, in the manner directed by the Secretary-Treasurer; and such audit shall be properly certified by a certified public accountant who shall be approved in advance of his employment by the Board of Directors.

The financial records of the Association, including the audit thereof, shall be open for inspection by any Director and, for any proper purpose, by any member.

(F) Bank Accounts; Association Obligations.

No bank account, savings account, certificate of deposit, U.S. Treasury bill or other Association investment of any kind may be opened, purchased and/or maintained by the Association without permission from the Board. Withdrawal from, liquidation, or redemption at maturity or otherwise of any account, certificate of deposit, U.S. Treasury bill or investment must bear the signature of two of the following: President, Vice President, Secretary-Treasurer, provided that the same Officers as indicated above may sign checks on Association accounts.

All Association funds shall be (1) deposited in banks in amounts not exceeding amounts guaranteed by the United States Government or (2) invested in obligations guaranteed by the United States Government.

(G) Bonding.

The President, such employees of the Association and such members of the Board as may be designated by the Board, and the Secretary-Treasurer shall, at the cost of the Association, be bonded in such amounts and in such manner as determined by the Board.

(H) Racing Pari-Mutuel Wagering and Breeding Law of the State of New York Section 221.

The Board of Directors shall be guided in the performance of the obligations of the Association as provided by State Law and pursuant to appropriate resolutions adopted in implementation of the statutory requirements.

Section 2. The President.

The President shall be the principal executive officer of the Association.

- (A) Only the President shall call and preside at all meetings of the Association and of the Board of Directors and shall determine the agenda for each such meeting.
- (B) He shall sign all checks drawn by the Secretary-Treasurer for the payment of all bills due on behalf of the Association.
- (C) Except for expenditures in the ordinary course of business, he shall have a limit to spend \$1,000 for each occurrence and may spend more with the approval of the Executive Committee which shall consist of the Vice President (s) and Chairman of the Financial Committee.
- (D) He shall report to the Board any irregularities or derelictions on the part of the Secretary-Treasurer or any member of the Board.
- (E) He shall, with the advice and consent of the Board, appoint members of all standing and special committees, except as otherwise provided herein.
- (F) He shall be an ex officio member of all standing, special and other committees of the Board.
- (G) He shall notify the Board of Directors forthwith of any charges brought or anticipated to be brought against any Officer or Director that may involve such Officer's or Director's right to race, or for the violation of these Bylaws.
- (H) He shall call at least one (1) general meeting and two (2) Board meetings each year and such additional meetings as the welfare of the Association may require. He shall, upon written petition of three (3) or more members of the Board, call a meeting of the Board within six (6) days if a race meeting is in progress and within thirty (30) days if no race meeting is in progress. He shall, upon written petition of thirty (30) or more members of the Association, call a general meeting of the Association within two (2) weeks if a race meeting is in progress and within thirty (30) days if no race meeting is in progress. A petition for a general meeting must state the primary purpose or issues for which the meeting is called. The meeting must be held in the immediate race meeting vicinity where the issues or purposes of the meeting arose. This requirement shall not prevent the consideration of other issues at the meeting. Decisions, recommendations and resolutions passed at general meetings shall be advisory only.

- (I) He shall cooperate with the Board in maintaining liaison with the membership in keeping it informed.
- (J) He shall not sign any signature cards for any bank accounts or deposits in any financial institutions, or sign any notes, negotiable instruments or obligations of the Association except as specifically allowed by the Bylaws.

Section 3. The Vice President.

A Vice President shall attend all meetings of the Association and the Board of Directors and shall fulfill, in the order of designation if there is more than one Vice President, the duties of the President in the event of his temporary absence. In the event of the resignation, expulsion, death, permanent disability or disqualification of the President, a Vice President, in the order of designation, shall succeed to the office of President of the Association.

Section 4. The Secretary-Treasurer.

The Secretary-Treasurer shall be appointed by the President with the consent of the Board of Directors. The Secretary-Treasurer shall take office on the ninety-first (91st) day after an election of a President for a full term and remain in office for ninety (90) days following a new election of a President for a full term. The Secretary-Treasurer may be dismissed by the President for failure to perform the duties of that office as provided for in the Bylaws only upon ratification of the Board.

The Secretary-Treasurer shall:

- (A) Attend all meetings of the Association and of the Board, prepare the agenda for all such meetings and keep minutes thereon;
- (B) Keep a record of all track and race statistics in the Association;
- (C) Collect and deposit all monies in the name of the Association only in a bank or banks and other similar financial institutions, the deposits of which, all or in part, are guaranteed by the U.S. Government. The Secretary-Treasurer shall not sign any signature cards for any bank account, or deposit in any financial institution, or sign any note, negotiable instrument or obligation of the Association except as specifically allowed by the Bylaws;

- (D) Draw and sign checks for the payment of all bills that have been approved by the Finance Committee;
- (E) Require banks designated as depositories for Association funds to send cancelled checks and bank statements monthly, which the Secretary-Treasurer shall keep on file for a period of not less than five (5) years;
- (F) Keep and maintain on a current basis such books and accounts as may be necessary to record all financial transactions of the Association and to correctly show the financial condition of the Association.
- (G) Send to the Board of Directors a monthly statement showing income and disbursements, monies on hand and other financial activities of the Association;
- (H) Render all possible assistance and service to the President, the Board, and members of the Association;
- (I) Make available to members a copy of any executed contract and/or purchase agreement;
- (J) Notify the Board of Directors forthwith of any charges brought or anticipated to be brought against any Officer or Director of the Association that may involve such Officer's or Director's right to race, or allegations of nonfeasance and misfeasance under the Bylaws;
- (K) Perform duties with respect to Association elections as specified in Article IV hereof; and
- (L) Perform such other duties as may be directed by the President and the Board of Directors.

Section 5. Committees.

There shall be standing committees as follows:

- (A) The President shall appoint three (3) members from the Board on all standing committees with the approval of the Board.

- (B) There shall be an Election Committee as provided in Article IV, Section 1.
- (C) The President may appoint an Advisory committee with the advice and consent of the Board of Directors. The Advisory Committee shall consist of owners, trainers and/or owner-trainers who are not members of the Board. Members of the Advisory Committee shall attend meetings of the Board whenever possible. They shall have no vote at meetings of the Board. The Advisory Committee shall meet at the call of its Chairman and at the call of the President. It shall furnish to the President and to the Board such advice and assistance as may be requested or as the Advisory Committee may deem appropriate. Members of the Advisory Committee may be designated to sit as nonvoting members of any other committee of the Association.
- (D) The President shall appoint a Backstretch Committee with the advice and consent of the Board of Directors. It shall consist of three (3) members. It shall be responsible for the improvement of backstretch conditions and facilities, which shall include living quarters, sanitation, restaurants or kitchens and recreational facilities.
- (E) The President shall appoint with the advice and consent of the Board such additional standing or special committees as the needs of the Association may dictate and the Board may create.

Section 6. General Meetings.

There shall be at least one (1) general membership meeting of the Association each year, and such additional meetings as the welfare of the Association may require.

One-tenth of the total membership eligible to vote or one hundred members (whichever is less) shall constitute a quorum for the transaction of all business at general membership meetings of the Association called by the President of the Association, but a lesser number may adjourn a meeting from time to time pending attendance of a quorum.

Section 7. Limitations on this Association.

- (A) If the Association is unable to arrive at an agreement with a Racing Association concerning purses or other conditions of racing, or if the Association shall for any other reason anticipate a desire on the part of horsemen not to enter their horses in races, the Association, the President and the Board of Directors shall utilize all powers and legal means at their disposal to assure that no such cessation of the entries takes place without a general meeting of horsemen having been called and held.

The Racing Association and any other party at interest shall be sent notice of said meeting, and shall be given an opportunity to appear and present its side of the controversy. The meeting under no circumstances shall be held sooner than three (3) full days after such notification to the Racing Association and to any other party at interest.

- (B) The Association may not obligate itself for legal or attorney's fees without the consent of the Board of Directors.
- (C) No litigation shall be instituted by this Association without prior approval of the Board of Directors.
- (D) No contract of the Association may exceed a term of three (3) years, or one (1) year beyond the expiration of the term of the President which ever is shorter.
- (E) Except for the right to vote, hold office, and enjoy the rights, privileges and benefits elsewhere provided in the Bylaws, the Association shall provide to non-members the benefits provided with funds derived from (a) contracts with a racing association where (i) the Association is designated therein as the organization representing all and/or a majority of the horsemen who race in the jurisdiction of the Association or (ii) from a statutory allocation to a racing association or (b) the provisions of state laws enacted for and/or having the effect; failing which, the provision of such benefits shall be made only at the discretion of the Association upon a favorable vote of a majority of the elected members of the Board.

For the purposes of this Section the term "member" shall have the meaning set forth in Article III hereof and the term "non-member" shall mean one who does not possess and/or fulfill the requirements set forth in Article III hereof for membership in this Association.

ARTICLE VI NATIONAL ASSOCIATION MEMBERSHIP

This Association, in its sole and absolute discretion, may be and remain a member of the National Association or of any other national organization representing the interests of owners, owner-trainers, and trainers of Thoroughbred racehorses generally. For so long as this Association remains a member of the National Association, it will adhere to the procedures and agree to consider the advisory opinions of the National Association Board of Directors pursuant to its appellate jurisdiction as provided in Article V, Section 6 of the Constitution and Bylaws of the National Association.

ARTICLE VII INDEMNIFICATION

Section 1. Required Indemnification of Officers and Directors.

This Association shall indemnify any Director or Officer, or former Director or Officer (including former Officers and Directors of this Association when it was an unincorporated division of the National Association), against expenses actually and reasonably incurred by him in connection with the defense of any action, suit or proceeding, civil or criminal, in which he is made a party by reason of being or having been such Director or Officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duty to this Association.

Section 2. Discretionary Indemnification of Employees and Agents.

This Association shall also have the right, in the discretion of the Board of Directors, to indemnify any employee or agent, or former employee or agent (including employees and agents of this Association when it was an unincorporated division of the National Association), against such expenses actually and reasonably incurred by him in connection with the defense of any action, suit or proceeding, civil or criminal, in which he is made a party by reason of being or having been such employee or agent, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duty to this Association.

Section 3. Expenses for Which Indemnification Provided.

Indemnification may be against judgment, penalties, fines, reasonable settlements and reasonable expenses (including attorney's fees) actually incurred by the person entitled to indemnification in connection with the action, suit or proceeding. No indemnification shall be provided, however, for any person with respect to any matter unless he has given written notice thereof to the General Counsel or the Board of Directors of this Association promptly after he has received notice of the claim giving rise to the action, suit or proceeding.