

NEW YORK THOROUGHBRED
HORSEMEN'S ASSOCIATION, INC.

AMENDED AND
RESTATED
BYLAWS
ADOPTED

Jan. 23, 2020

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ARTICLE I

NAME, DEFINITIONS, PURPOSES

Section 1. Name.

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

Section 2. Definitions.

As used in these Bylaws:

- (A) "Association" shall mean the New York Thoroughbred Horsemen's Association, Inc.;
- (B) "Board of Directors" and "Board" shall mean the Board of Directors of the Association;
- (C) 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 horse racing;
- (B) To institute or aid in any initiative that will aid or protect the general welfare of the Thoroughbred horse racing industry, the interests of Thoroughbred owners and trainers (collectively "horsemen") and their employees and of backstretch workers generally;
- (C) To work for the improvement of the health, welfare and living conditions of backstretch workers and their families at New York Racing Association ("NYRA") tracks;
- (D) To publicize, promote and assist in the safe retirement and retraining for second careers of Thoroughbreds whose racing careers are over;
- (E) To promote equine welfare and research;
- (F) To represent the interests of horsemen who race at NYRA tracks, including by direct discussion and negotiation with NYRA, by representation before the New York State Legislature, the New York State Gaming Commission

- and governmental entities and by participation in appropriate industry groups;
- (G) To promote better understanding and closer collaboration among horsemen, race track operators, industry regulators, racing fans and the general public;
 - (H) To participate actively in efforts by race track operators, regulatory bodies and other industry organizations to formulate rules that affect the interests of horsemen, their employees and other backstretch workers; and
 - (I) To support the enforcement and appropriate modernization of New York's laws and regulations affecting Thoroughbred racing.

ARTICLE II GOVERNANCE OF THE ASSOCIATION

Section 1. Organization.

The governance of the Association shall consist of the Board of Directors and President elected in accordance with these Bylaws, and the duly elected and appointed Officers of the Association.

Section 2. Bylaws.

These Bylaws shall govern the proceedings of the Association.

Section 3. Powers of the Board.

- (A) The Board shall be vested with, and shall exercise, all of 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 designate the location of the Association's principal office or offices which may be changed from time to time by the Board.
- (C) The President, together with the consent and approval of the Board, may appoint and employ, determine the method of appointment and length of employment of, and supervise the employment and conduct in office of, such employees and professionals as he deems necessary.

Section 4. Bylaw Amendments.

An amendment to the Bylaws may be proposed by the Members or by the Board of Directors but, in either case, must be accompanied by a signed petition from not less than seventy-five (75) voting Members filed with the [Executive Director]. Such petition may be proposed and filed by the Members or may be proposed by the Board of Directors for consideration by the Members. In either case, the Board will forward such proposal to the

general membership for a sixty (60) day comment period prior to a discussion and vote on the proposed amendment.

Except as otherwise provided herein or by law, amendments to the Bylaws may be adopted (i) by the vote of not less than two-thirds of the entire Board of Directors or (ii) by a majority of the voting Members entitled to vote in the election of Directors present in person or by proxy at a duly called and held meeting of such voting Members.

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: Executive Director, President, Vice President, Secretary, and 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.

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. A publication shall only use the name of the Association if it is reviewed and approved by the Board.

Section 8. Subsistence and Travel Expense Reimbursement.

Any Officer, Director, or employee of the Association may be reimbursed for subsistence and travel expense while in travel status on official business of the Association, except as otherwise restricted in the Bylaws.

Section 9. 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 10. 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.

ARTICLE III MEMBERSHIP

Section 1. Membership Eligibility.

Except as otherwise provided in this section, any individual owner, individual partner in an entity ownership group, or individual trainer of a Thoroughbred racehorse who:

- (A) is currently licensed as such by the New York State Gaming Commission; and
- (B) starts a Thoroughbred racehorse in a qualifying race within the jurisdiction of this Association,

(each a “Member”), shall be eligible for membership in the Association.

Section 2. Voter Eligibility.

In order to be entitled to cast one vote in the Association’s elections and other business to come before the Members, Members must:

- (A) be listed as a Thoroughbred racehorse owner or trainer in the Equibase owner or trainer records and in an official track program, OR
- (B) own a minimum of 5% of a Thoroughbred racehorse that starts in a qualifying race within the jurisdiction of this Association; AND
- (C) complete the membership self-affirmation form described below.

Section 3. Membership Self-Affirmation.

Any person shall become a Member at such time as such Member starts 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. In advance of any membership meeting or vote, all persons listed with the New York State Gaming Commission as eligible for membership in the Association shall be provided with an affirmation form setting forth the Association’s membership and voting membership criteria. All persons that complete and execute such forms in a manner satisfactory to the Association and return such forms to the Association in a timely manner as determined by the Association will be eligible to participate and vote as Association Members. Association Members who are listed as a Thoroughbred racehorse owner or trainer in the Equibase owner or trainer records and in an official track program are not required to

complete the self-affirmation form. The Association shall maintain on a current basis the Association's membership roster.

Section 4. Tenure of Membership.

- (A) Tenure. A Member of the Association shall remain as such (1) for the calendar year during which he or she started a horse in a qualifying race within the jurisdiction of this Association, and for the calendar year that follows, (2) so long as he or she continues to satisfy the requirements of membership set forth herein, (3) so long as he or she is not (unless the consent of two-thirds (2/3) of the elected members of the Board of Directors of this Association has first been obtained) a member of any other rival organization in the Association's jurisdiction 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) so long as he or she has not resigned or been suspended or 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 (2/3) 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 New York State. 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 (2/3) 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.

Section 5. Duties of Membership.

- (A) Every Member of the Association shall conduct himself at all times in such manner as to merit the respect of the public and shall act at all times in the best interests of the Association. 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.
- (B) 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.

Section 6. Annual, Regular and Special Meetings.

There shall be an Annual Meeting of the membership to be held on such date and at such time and place as are designated by the [President]. Additional regular or special meetings shall be held as the welfare of the Association may require.

Notice of each meeting of the membership may be served by publication online on the Association's social media sites or other digital platforms for not less than three consecutive weeks immediately preceding the date of the meeting, provided that the Association shall also prominently post notice of the meeting on the homepage of the Association's website continuously from the date of publication through the date of the meeting. In addition, notice shall be sent by mail and/or electronic mail to each member for which the Association has addresses or email addresses not less than ten (10) nor more than fifty (50) days before the meeting. Any notice shall set forth the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes, of the meeting.

In connection with any Annual Meeting at which the terms of Directors are expiring, an election of Directors shall be held in addition to such other business as may come before the meeting. The Board shall present, at the Annual Meeting of members, a report, verified by the President and Treasurer or by a majority of the Directors, or certified by an independent public or certified public accountant or a firm of such accountants selected by the Board, showing in

appropriate detail the information required by NPCL Section 519. The annual report shall be filed with the records of the Association and a copy or abstract thereof entered in the minutes of the annual meeting.

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

ARTICLE IV ELECTIONS AND VOTING

Section 1. Nominating and Election Committee.

All Association elections shall be under the supervision of the Nominating and Election Committee of the Association (the "Committee") consisting of three (3) Association members appointed by the President of the Association with the approval of the Association's Board of Directors. The three (3) individuals appointed to the Committee shall be neither members of the Board nor candidates for any offices.

The Committee shall make nominations and receive suggestions and nominations from the membership. The Committee shall hold at least one general nominating meeting to receive nominations from the floor, nominating petitions and to announce its nominations. All nominees must be voting Members of the Association.

Written notice of the general nominating meeting must be given to the membership of the Association 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. Notice shall be provided as set forth in Article III, Section 6, above.

The Committee shall also be responsible for seeing that the election is run in accordance with these Bylaws. The 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, in connection with the Annual Meeting of the membership, to elect a President and Board of Directors, who shall hold office during their terms and until their successors are duly elected. Each Director shall be eligible to hold office for not more than four consecutive three-year terms and thereafter until his or her successor shall have been duly elected and qualified, or until his or her earlier death, disability, resignation or removal. Following a Director's fourth term, he or she must step down from the Board for at least one full term, after which he or she may be proposed for re-election to the Board.

Section 3. Candidates.

The [Executive Director] 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 [Executive Director] 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 as defined in Article IV, Section 5.

Section 4. Other Organizations

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 similarly conflicting organization, 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 (2/3) 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 become eligible without first obtaining Board approval by resigning, 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 (2/3) vote of the elected members of the Association's Board of Directors. To the extent any such conflicts exist and are waived by the Association's Board of Directors, then the member affected by the conflict 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.

Section 5. 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 is and has been a voting Member in good standing of the Association for at least one year immediately preceding the date of his nomination.
- (B) He starts a Thoroughbred racehorse in a qualifying race within the jurisdiction of this Association a minimum of five (5) times while a voting 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 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 during the one year immediately preceding the date of his nomination.

Section 6. 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 voting Member in good standing of the Association for at least three (3) years immediately preceding the date of his nomination.
- (B) He has been licensed as an owner, owner-trainer or trainer during each of the three (3) years immediately preceding the date of his nomination.
- (C) He has owned or trained horses in the Association during each of the three (3) years immediately preceding the date of his nomination.
- (D) He starts a Thoroughbred racehorse in a qualifying race within the jurisdiction of this Association a minimum of five (5) times while a voting 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.

Section 7. Election of the Vice President(s).

The Board of Directors may elect up to two Vice Presidents from among the members of the Board of Directors. When the President is an owner-only, then the First Vice President must be an owner-trainer or trainer and the Second Vice President may be an owner-only; when the President is an owner-trainer or trainer, then the First Vice President must be an owner-only and the Second Vice President may be an owner-trainer or trainer. 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.

Section 8. Manner of Voting.

Not less than forty-five (45) days prior to an election, every voting Member shall be sent, electronically and/or by mail, notification of the general membership meeting, a ballot, a ballot envelope, the biographical and policy statement of each candidate, a proxy authorization, voting instructions and, when applicable, a postage paid return envelope.

Completed ballots to be cast by proxy must be submitted, either electronically or by mail, prior to the deadline indicated on the ballot, and may be tallied in real time as they are received. Completed ballots will be delivered to the proxies at the general membership meeting for their review, then submitted for final tabulation. Voting members may also cast their ballots in person at the meeting.

All voting and election procedures shall be supervised by the Nominating and Election Committee in accordance with the procedures set forth in the Bylaws. Other procedures, not inconsistent therewith, adopted by the Board of Directors for the [Executive Director] to perform his duties with respect to Association elections may be randomly checked by the Association's auditor.

ARTICLE V DIRECTORS AND 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. In such case, the Director filling the vacancy shall serve until the next election of Directors and the election and qualification of his successor.

(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 four (4) Board meetings each year and such additional meetings as the welfare of the Association may require.

Notice of the time and place of any annual, regular or special meeting of the Board of Directors shall be given by the [Secretary] by first-class mail, facsimile, electronic mail or by hand delivery to each Director at least twenty-four hours before such meeting. Notice of any meeting shall not be required to be given to any Director who attends such meeting without protesting prior thereto the lack of notice to him or her, or who submits a waiver of notice, whether before or after the meeting. Such waiver of notice may be written or electronic. If written, the waiver must be signed by the Director by any reasonable means including but not limited to facsimile signature. If electronic, the transmission of the waiver must be sent by electronic mail and must set forth, or be submitted with, information from which it can be reasonably determined that the transmission was authorized by the Director.

Any action required or permitted to be taken at any meeting of the Board or by any committee thereof may be taken without a meeting if all members of the Board or committee consent to the adoption of a resolution authorizing the action. Such consent may be written or electronic. If written, the consent must be executed by the Director by signing such consent or causing his or her signature to be affixed to such consent by any reasonable means including, but not limited to, facsimile signature. If electronic, the transmission of the consent must be sent by electronic mail and must set forth, or be submitted with, information from which it can reasonably be determined that the transmission was authorized by the Director. The resolution and consents thereto shall be filed with the minutes of the proceedings of the Board or committee as applicable.

(C) Responsibilities.

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

(D) Liaison with Membership.

The Board of Directors shall 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 [Finance Committee]; 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.

(G) Bonding.

The President, such employees of the Association and such members of the Board as may be designated by the Board, and the [Executive Director] 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.

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. No employee of the Association shall serve as President or hold any other title with similar responsibilities, unless the Board approves by a two-thirds vote of the entire Board such employee serving as President and contemporaneously documents in writing the basis for the Board approval.

- (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 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 \$5,000 for each occurrence and may spend more with the approval of the Executive Committee which shall consist of at least three Directors, including one or more Vice Presidents and the Chairman of the Finance/Audit Committee.
- (D) He shall report to the Board any irregularities or derelictions on the part of the [Executive Director] 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 committees of the Board and committees of the corporation.
- (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 membership meeting and four (4) 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. He shall, upon written petition of thirty (30) or more members of the Association, call a general membership meeting of the Association. A petition for a general membership meeting must state the primary purpose or issues for which the meeting is called.
- (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 Executive Director/Secretary.

The Executive Director shall be appointed by the President with the consent of the Board of Directors. The Executive Director shall serve as Secretary of the Association and shall:

- (A) Attend all meetings of the Association and of the Board, prepare the agenda for all such meetings and keep minutes thereon;
- (B) Render all possible assistance and service to the President, the Board, and members of the Association;
- (C) 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;
- (D) Perform duties with respect to Association elections as specified in Article IV hereof; and
- (E) Perform such other duties as may be directed by the President and the Board of Directors.

Section 5. The Business Manager/Treasurer.

The Business Manager shall be appointed by the President with the consent of the Board of Directors. The Business Manager shall serve as Treasurer of the Association and shall:

- (A) 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 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;
- (B) Draw and sign checks for the payment of all bills that have been approved by the Finance Committee;

- (C) Require banks designated as depositories for Association funds to send cancelled checks (or facsimiles thereof) and bank statements monthly, which the Secretary shall keep on file for a period of not less than five (5) years;
- (D) 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.
- (E) Send to the Board of Directors a monthly statement showing income and disbursements, monies on hand and other financial activities of the Association;
- (F) Make available to members a copy of any executed contract and/or purchase agreement; and
- (G) Perform such other duties as may be directed by the President and the Board of Directors.

Section 6. Committees of the Board.

The Board of Directors may, by resolution adopted by a majority of the entire Board of Directors, designate from among its members such committees as it may deem appropriate from time to time. Each such committee of the Board shall have thereon at least three (3) members of the Board of Directors and, to the extent provided in a resolution, shall have the authority of the Board, except as limited by the Board of Directors or by law. No committee shall have the power to: (a) submit to the membership any action requiring members' approval; (b) alter, amend or add to these By-Laws; (c) elect or remove officers and directors; (d) fill vacancies in the Board of Directors or in any committee; (e) fix the compensation of the Directors for serving on the Board or on any committee; (f) amend or repeal any resolution of the Board which by its terms shall not be so amendable or repealable; (g) approve a merger or plan of dissolution; (h) adopt a resolution recommending to the members action on the sale, lease, exchange or other disposition of all or substantially all the assets of the corporation; or (i) approve amendments to the Certificate of Incorporation. Each committee of the Board shall serve at the pleasure of the Board.

Section 7. Committees of the Corporation.

The Board of Directors, from time to time, may establish Committees of the Corporation to assist the Board in carrying out its duties. Committees of the Corporation shall be advisory in nature and shall not have the authority to bind the Board of Directors or the Corporation. The members of Committees of the Corporation, who need not be directors, shall be appointed by the President with the approval of the Board and may be removed with or without cause by the President with the approval of the Board. Each Committee of the Corporation shall serve at the pleasure of the Board of Directors. There shall be the following Committees of the Corporation:

- (A) There shall be a Nominating and Election Committee as provided in Article IV, Section 1.

- (B) The President may appoint an Advisory committee of the corporation 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.
- (C) The President shall appoint with the advice and consent of the Board such additional Committees of the Board or Committees of the Corporation as the needs of the Association may dictate and the Board may create.

Section 8. 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.

ARTICLE VI INDEMNIFICATION

Section 1. Required Indemnification of Officers and Directors.

This Association shall indemnify any Director or Officer, or former Director or Officer, 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, 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 Association's 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.