

BYLAWS
WORKING DRAFT OF 8/49/16/10 2:30 1PM Clean

**The Louisiana Horsemen's
Benevolent & Protective Association 1993, Inc.**

BYLAWS

Adopted (Date), 2010

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Left

Formatted: Centered, None, Tab stops: 3",
Left + Not at 3.25"

TABLE OF CONTENTS

Formatted: Font: 12 pt

ARTICLE I. NAME, DEFINITIONS AND PURPOSES.....

- Section 1. Name.....
- Section 2. Definitions.....
- Section 3. Purposes.....

ARTICLE II. GOVERNMENT OF THE ASSOCIATION.....

- Section 1. Organization.....
- Section 2. Bylaws.....
- Section 3. Powers - The Board.....
- Section 4. Bylaw Amendments.....
- Section 5. Financial Obligations of the Association; Board Approval.....
- Section 6. Credit Cards.....
- Section 7. Nepotism.....
- Section 8. Discrimination.....
- Section 9. Hearsay Evidence.....
- Section 10. Standard of Proof.....
- Section 11. Document Retention.....
- Section 12. Expense Reimbursements.....
- Section 13. Fair Compensation.....
- Section 14. Acceptance of Gifts.....
- Section 15. Review of Records.....
- Section 16. Filing and Preview of IRS Forms 990.....
- Section 17. Use of the Association Name.....
- Section 18. Compensation of Officers Prohibited.....
- Section 19. Subsistence and Travel.....
- Section 19. Expense Reimbursements.....
- Section ~~19~~20. Contract Negotiations With State Authorities and Associations.....

Section ~~20~~21. Contracts With Racing Associations.....

Section ~~21~~22. Reporting Misconduct.....

Section ~~22.~~ ~~Other-23.~~ Conflicts of Interest and Disclosures Required.....

Section ~~23~~24. Conflicts of Interest and Abstention.....

Section ~~24~~25. Other Horsemen Entities.....

Section ~~25-26.~~ Tele-meetings.....

Section 27. No Personal Inurement of Association Earnings or Assets.....

Section 28. Minutes of Meetings

ARTICLE III. MEMBERSHIP.....

Section 1. Eligibility.....

Section 2. Membership.....

Section 3. Duties of Membership; Non-Disbursable Monies.....

Section 4. Tenure of Membership.....

ARTICLE IV. ELECTIONS AND VOTING.....

Section 1. Supervision of Elections.....

Section 2. Elections.....

Section 3. Nominations.....

Section 4. Notice and Acceptance of Nomination.....

Section 5. Election Activity.....

Section 6. Protests of Candidacy or of Conduct of Election.....

Section 7. Conduct of Elections.....

Section 8. Voting.....

Section 9. Qualified Entity Members Voting.....

Section 10. Other Organizations - Conflicts of Interest.....

Section 11. Election of and Eligibility for the Board.....

ARTICLE V. OFFICERS.....

Section 1. Board of Directors.....

Section 2. The Officers.....

Section 3. The Chief Executive Officer.....

Section 4. The Chairman of the Board.....

Section 5. The Vice Chairman of the Board.....

Section 6. The Secretary-Treasurer.....

Section 7. General Counsel.....

Section 8. Executive Director.....

Section 9. Certified Public Accountant/Auditor.....

Section 10.- Committees.....

Section 11. General Membership Meetings.....

Section 12. Limitations on this Association.....

Formatted: _level1, Justified, Tab stops: 6.5", Left

Formatted: Font: Bold

Formatted: _level1, Justified, Tab stops: Not at 0" + 1.5" + 2" + 2.5" + 3" + 3.5" + 4" + 4.5" + 5" + 5.5" + 6"

ARTICLE VI. INDEMNIFICATION.....

Section 1. Required Indemnification of Officers and Directors.....

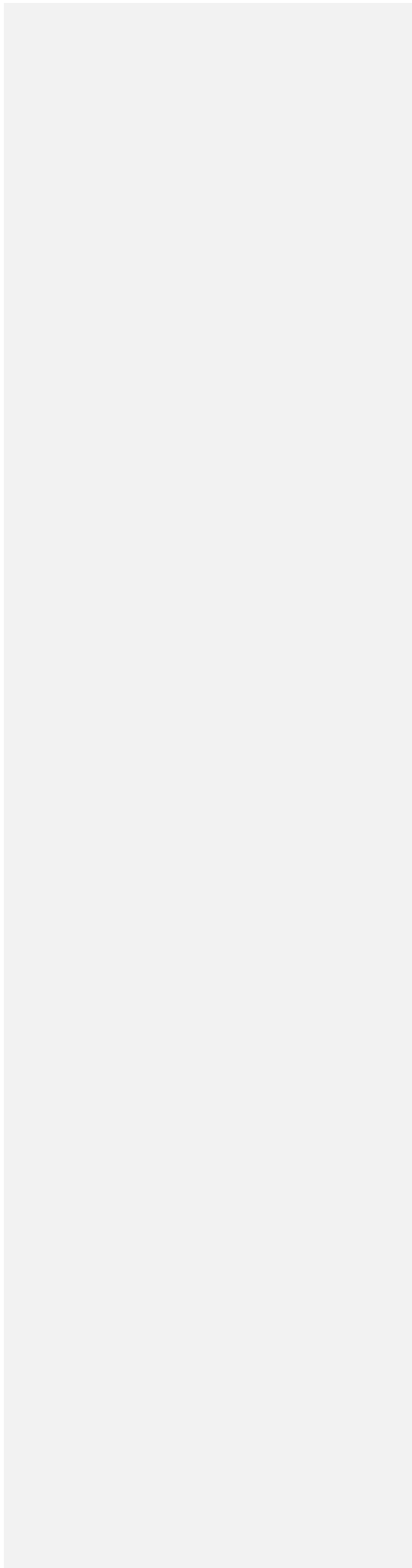
Section 2. Discretionary Indemnification of Employees and Agents.....

Section 3. Expenses for which Indemnification Provided.....

Section 4. Further as to Discretionary Indemnification

ARTICLE VII. EFFECTIVE DATE.....

Section 1. Force and Effect; Term.....



- (H) **“Member”** is a person who qualifies for membership in the Association pursuant to these Bylaws and who has not lost his or her status of membership by any means or method.
- (I) **“Protest”** is a challenge by a Member to a candidate’s eligibility, the conduct of an election or both.
- (J) **“Qualified Entity”** shall mean corporations, partnerships, limited liability companies or any other non-person entity that meets the eligibility requirements of membership as provided for in these Bylaws;
- (K) **“Qualified Entity Member(s)”** shall refer to the individual person or persons who make up a Qualified Entity who are Owners or Owner-Trainers of a racehorse and licensed as such by the Louisiana State Racing Commission. Provided, however, that each Owner or Owner-Trainers must own the aggregate of or the equivalent of not less than one total racehorse which had started in a race in Louisiana, at a time sufficient for membership, on which pari-mutuel wagering was authorized. This ownership and start requirement may be satisfied by multiple starts of a “less than 100 percent owned” Horse, provided that the starts, when multiplied by the percentage of actual or equivalent ownership by the Owner or Owner-Trainer, equals or exceeds 100%. Example: 50% ownership or equivalent membership of a Horse x 2 Starts = 100%;

(L) **“Reasonable Notice”** shall mean a written notice that includes the date, time and place of any event being noticed, a description of known subject matters to be taken up, contact information for the purpose of obtaining additional information and sent to the recipient as follows: (1) where a personal appearance or written response is required, called for in the notice or the subject of the notice can result in punitive action being taken against the person being noticed, written notice delivered ten (10) or more days in advance of the noticed event or matter by facsimile or email to a known current address or known current facsimile phone of the recipient or by certified mail or delivery service to the address shown on the current membership roster of the Association or the last known address of non-members; (2) actual notice in any form and by any means if convincingly proven to have been delivered to the recipient ten (10) or more days in advance of the noticed event or matter; and (3) notice to Members for general membership meetings and other notices to the general membership if the notice containing the date, time, place and known subject matters of the meeting is posted twenty (20) days in advance of the meeting in a public area of all the HBPA offices at Louisiana racetracks and posted on the Association’s official website.

(M) **“Tele-meeting”** shall mean a meeting of the Association, including a Board meeting, which is conducted by means of or with the benefit assistance of telephone, video or other similar electronic devices utilized by one or more

participants in lieu of the participant's physical presence under conditions as more fully set out in these Bylaws.

Section 3. Purposes

Formatted: Font: 12 pt

Formatted: Font: 12 pt

The purposes of the Association are as follows:

- (A) To promote the common business interest of its Members and improve conditions in the horse racing industry of Louisiana within the meaning of Section 501(C)(6) of the Internal Revenue Code of 1986, as amended, or the corresponding section of any future federal tax code;
- (B) To engage in any lawful activities which are in furtherance of the purposes of the ~~Corporation~~Association, including, but not limited to:
 - 1. Promotion of federal and state legislation, rules and regulations, and uniform racing policies beneficial to the common interests of horsemen ~~in the states~~; and
 - 2. Negotiations with racetracks on a collective basis ~~on~~concerning issues affecting the ~~common interests of horsemen, including schedules, stakes programs, safety issues, and working conditions; and~~
 - 3. Representation of the common interests of horsemen at various meetings and hearings of the racing commission and other racing organizations; and
 - 4. Improvement of the image of racing in the state and the relationships between horsemen, other members of the racing industry and the general public; and
 - 5. Assisting horsemen; and
 - 6. Participating with other persons and horsemen's associations, including the National Horsemen's Benevolent and Protective Association in endeavors which promote and further the common interest of horsemen.

ARTICLE II.

GOVERNMENT OF THE ASSOCIATION

Formatted: Font: 12 pt
Formatted: Font: 12 pt
Formatted: Font: 12 pt

Section 1. Organization

The Association shall consist of its Members as defined in ARTICLE III hereof, the Board of Directors elected by the Members, a Chairman and Vice Chairman of the Board elected by the Board at the Board's first meeting and the other appointed Officers of the Association which may include a Chief Executive Officer, Executive Director, Secretary-Treasurer, General Counsel and a Certified Public Accountant/Auditor who shall be appointed by the Board.

Section 2. Bylaws

Formatted: Font: 12 pt

These Bylaws shall govern the Association. Except as otherwise provided herein, all proceedings of the Association shall be conducted in accordance with the most current version of *Robert's Rules of Order*, or as otherwise directed by a Majority Vote of the Board of Directors of the Association.

Section 3. Powers - The Board

Formatted: Font: 12 pt

- (A) The Board shall be vested with and shall exercise all the powers of the Association and upon it is conferred the establishment of policy and the management, direction and control of the Association, as provided in the Articles of Incorporation and herein;
- (B) The Board shall have the power to censure, suspend or expel any Member by a two-thirds (2/3) vote, as provided for in these Bylaws.
- (C) The Board shall have the power to censure, suspend, terminate or otherwise discipline any Officer of the Association for or not for cause;
- (D) The Board, by a two-thirds (2/3) vote of the elected ~~members of the Board~~ Directors, shall have the power to remove a Director or declare a vacancy as to the position of any Director following one or more hearings, which hearings

provide substantial due process to the parties removed or whose positions are declared vacant and which one or more hearings result in a finding that:

- a. the relevant Director is deceased or otherwise unable to perform as a Director for a substantial period of time under the circumstances; or
- b. the relevant Director has not maintained the required qualifications to be elected to or hold the directorship; or
- c. the relevant Director has violated the provisions of these Bylaws so substantially as to indicate utter disregard for the Association's Bylaws or its well being; or
- d. the relevant Director has violated law such as to indicate that the continued directorship by the Director is substantially detrimental to the Association; or
- e. the relevant Director has demonstrated conduct substantially detrimental to the Association and said conduct is found to be either unreasonably harmful, in willful disregard of the harm or intentionally harmful, to the Association.

~~(E)(F)~~ The Board shall designate the principal location of the Association's ~~Headquarters~~headquarters and such other offices at locations as the Board shall designate;

Formatted: Indent: Left: 0.5", Hanging: 0.5", Outline numbered + Level: 1 + Numbering Style: A, B, C, ... + Start at: 1 + Alignment: Left + Aligned at: 0" + Indent at: 0"

(F) The Board may create committees of the Board and those committee members shall be appointed by the Board.

Section 4. Bylaw Amendments

Formatted: Font: 12 pt

Any new bylaws or amendments to or repeals of existing Bylaws may be made by a resolution adopted by not less than a two thirds (2/3) vote of the ~~elected members of the Board~~Directors. Proposed additions, amendments or repeals need only set forth the substance or sense of the proposal as the proposed action may be redrafted in proper legal language by the General Counsel after the proposal is adopted.

Section 5. Financial Obligations of the Association; Board Approval

Formatted: Font: 12 pt

All notes, checks and other negotiable instruments of the Association shall be signed by any two of the Officers of the Association designated in writing to do so by the Chief Executive Officer. Notwithstanding anything herein contained to the contrary, the Chief Executive Officer may designate any Horsemen's Bookkeeper of the Association to sign, alone, checks drawn on a specific horsemen's account within the Horsemen's Bookkeeper Account.

No notes, mortgages, or negotiable instruments binding the Association, other than those above referenced checks utilized on a specific Horsemen's Bookkeeper Account, may be signed by anyone including any Director, Officer, employee or Member without the prior written specific and express approval of the Board of Directors.

Any agreement, writing, contract, note, mortgage, negotiable instrument, or other instrument of any kind which purports to financially obligate and bind the Association for more than Five Thousand Dollars in value must be expressly approved by the Board before execution of same.

Notwithstanding ~~the~~ anything contained in these Bylaws to the contrary, checks may be signed by use of signature stamps or, in the alternative, other means including electronic means provided the authorized signatories have authorized such to occur, provided reasonable safeguards have been established to protect against misuse of such means and provided the reasonable safeguards are in use on a consistent and reliable basis.

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

Section 6. Credit Cards

Formatted: Font: 12 pt

The Executive Director with the approval of the Chief Executive Officer may authorize designated Officers, agents and employees to utilize credit cards of the Association with a written directive that the use of the credit card is subject to the following restrictions.

The credit cards issued to Officers, agents and employees are to be used solely for the Association's expenses such as for approved travel expenses on behalf of the Association and may not be used for any personal expenses of any kind or under any circumstance. If any single expense exceeds one thousand dollars in amount, the express advance approval of the Chief Executive Officer or the Executive Director is required. If any single expense exceeds two thousand dollars in amount, the express advance approval of the Chief Executive Officer is required. If any single expense exceeds three thousand dollars in amount, the express approval of the Board is required. However, the foregoing single expense limitation shall not apply to expenses for group travel and other group expenses such as for meals incurred in connection with normal and customary group expenses associated with the attendance of events like the National Horsemen's Benevolent and Protective Association's meetings. The Secretary-Treasurer and auditors shall review and report monthly to the ~~Finance~~Audit Committee all credit card charges that apparently exceed the single expense limits, whether for group travel or other group expenses, for the Committee's review.

Section 7. Nepotism

Formatted: Font: 12 pt

The hiring of, the engagement of, or the initiation of any Association business with any person or entity related by blood or marriage to an Association Director, Officer, agent or employee is prohibited except in those instances where full disclosure of the relationship has

been made to the Board and specific and express approval is received from the Board after the said full disclosure has been made.

Formatted: Font: 12 pt

Section 8. Discrimination

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

Formatted: Font: 12 pt

Section 9. Hearsay Evidence

Hearsay evidence is prohibited in all hearings of the Association that can result in loss of property or privileges except to the extent said hearsay evidence would be permitted under one of the hearsay exceptions recognized by the courts of Louisiana.

Other hearsay evidence may be permitted in other evidentiary proceedings or hearings where there can be no loss of property or privileges as a direct consequence of the ruling resulting from the hearing provided the evidence to be offered is relevant, material and, in the judgment of the hearing officer or decision making body, competent.

Section 10. Standard of Proof

Formatted: Font: 12 pt

In all hearings, the standard of proof shall be a preponderance of the evidence.

Formatted: Font: 12 pt

Section 11. Document Retention

All records, including electronic records, of the Association shall be kept for not less than ~~ten (10)~~ five (5) years ~~and longer than that~~ except for those records where, by law, the time period of retention is longer. ~~Notwithstanding the foregoing, all records used to produce other records such~~ the retention period shall be as provided by law and for those records described in Article III, Section 3(D) which records shall be kept in perpetuity. Notwithstanding the foregoing, drafts used to produce final documents may be discarded upon completion of the final document unless the law specifies otherwise.

Section 12. Expense Reimbursements

Formatted: Font: 12 pt

Reasonable, ordinary and customary expenses incurred by authorized Directors, Officers, agents and employees in the course of doing authorized business on behalf of the Association shall be reimbursed to the extent the expenses are documented. The Chief Executive Officer may authorize reimbursement where the expense is reasonably known to have been incurred on behalf of the Association and that, for reasons beyond the control of the person to be reimbursed, documentation cannot be then obtained. In such cases in which it has been determined that circumstances exist which justify the reimbursement without the required documentation a notation of the circumstances justifying reimbursement shall be made in writing and said writing shall be kept in the same manner thereafter as the documentation would have been had the documentation been obtainable.

For purposes of this bylaw, reasonable, ordinary and customary expenses shall include travel, lodging, meals, gratuities, needed materials and incidentals in quantities and cost that are not excessive under the circumstances.

When monies are expended on behalf of the Association by a person solely to assist the Association, and said expenses are generally or specifically authorized before the expense is incurred, are necessary to the function of the Association, reasonable under the circumstances and no apparent reason exists after reasonable inquiry is made to refrain from paying the expense, then reimbursement shall be _____ made with full documentation of the above required findings forming part of the record of payment.

Section 13. Fair Compensation

Formatted: Font: 12 pt

The Association wishes to pay no more than fair compensation to those working on behalf of the Association or providing goods or services to the Association. To achieve such fairness and to avoid overpaying for any services or goods, whether it be through employment or contract or for goods or services, diligent inquiry shall be made by the Secretary-Treasurer and the FinanceAudit Committee into the value of the goods or services acquired by the Association in comparison to the price of same prior to incurring the obligations. All expenditures of the Association shall be reviewed annually by the Secretary-Treasurer and the FinanceAudit Committee for the purposes of achieving compliance with this bylaw.

Section 14. Acceptance of Gifts

Formatted: Font: 12 pt

Nothing of value may be accepted by any Director, Officer, agent or employee of the Association, directly or indirectly, from anyone doing business with the Association or seeking to do business with the Association.

The foregoing prohibition shall not apply to the reasonable cost of meals taken in the course of conducting business on the part of the Association nor to the usual and customary gifts

of holiday seasons when given to the Association and not given exclusively to the person or persons who control the placement of the business conducted by the provider of the gift.

All gifts received and accepted by any Director, Officer, agent or employee of the Association, directly or indirectly, from anyone doing business with the Association or seeking to do business with the Association must be disclosed to the Board and said disclosure shall include the identity of the gift giver, a description of the gift, the approximate value of the gift, the date of the gift, the nature of the business relationship of the gift giver to the Association, and the disposition of the gift including the identity of all recipients of the gift or a portion of same.

Formatted: Font: 12 pt

Section 15. Review of Records

All reviews of Association records to be conducted by Directors or Members pursuant to request shall be reasonable in nature in every respect, carried out pursuant to these Bylaws and shall be limited to the records of the Association.

The records shall be kept confidential by the viewing Directors and Members and a confidentiality agreement to that effect shall be entered into by the viewing Directors or Members prior to the viewing.

The viewing shall be conducted:

- (a) at any mutually agreeable time but, absent grave cause, during regular business hours; and
- (b) at the offices of the Association or such other reasonable location as the Association may select; and
- (c) for reasonable durations of time per day and a number of days as determined by the Board to be reasonable under the circumstances; and
- (d) with a monitor of the Association present to protect the integrity of the records; and
- (e) with only those records present at any one time that can be viewed during that time interval; and
- (f) without taking apart any of the records; and
- (g) without taking the records away from the table on which they are being viewed or, at any time, out of the line of site of the monitor; and

- (h) with requested copies being made at the discretion of the Association and at a reasonable cost to the viewing party or parties; and
- (i) with those records being viewed properly re-filed in the same place and in the same order they were in before the review; and
- (j) with the integrity of the records being otherwise kept at all times; and
- (k) with only those records of the Association being viewed as opposed to viewing records of other persons or records of entities other than the Association's; and
- (l) with the Association making reasonable accommodations for the viewing parties and with the viewing parties complying with reasonable requests by the Association to preserve the integrity of the records, the information contained therein and the efficient operations of the Association; and
- (m) in a manner to protect the privacy of individuals, with records pertaining to the health of individuals and other matters pertaining to individuals which are customarily or required by law to be treated as private shall not be published or viewed by anyone except in accordance with law, with express Board approval and only by those with an established right and need to know the information contained in the records; and
- (n) ~~Records~~records and information pertaining to salaries, wages and other compensation shall be confidential but available to the Board as a whole, shall not be published or viewed by any others except in accordance with law, with express Board approval and only by those with an established need to know the information contained in the records as determined by the Board.

Section 16. Filing and Preview of IRS Forms 990

Formatted: Font: 12 pt

The Association is required to file Internal Revenue Service Forms 990 annually. Prior to filing of the Forms 990, the Secretary-Treasurer shall present the forms to the Board of Directors, for their review and report, at a meeting or tele-meeting of the Board for the purpose of assuring that the Forms 990 arrived, that any questions of the Directors are addressed and that the Board is agreeable to filing the forms 990 as presented and explained to them.

The Forms 990 shall be delivered or sent to each Director by the Secretary-Treasurer in such manner that the arrival is in sufficient time in advance of the aforesaid meeting or tele-meeting to permit a reading and review of the Form.

Section 17. Use of the Association Name

Formatted: Font: 12 pt

No one, whether a Member of the Association or otherwise, shall be permitted to use the name of the Association for personal benefit, commercially or otherwise, without the express written permission of the Board. Except for routine communications clearly within the authority of the person communicating in the ordinary course of business on behalf of the Association, no publication, written, oral, or electronic, shall use the name of the Association unless and until it is reviewed and approved by the Board.

Formatted: Indent: First line: 0.5"

Section 18. Compensation of Officers Prohibited; ~~Subsistence and Travel Expense Reimbursements~~

Formatted: Font: 12 pt

Formatted: Font: 12 pt

No Officer or Director of the Association other than the Chief Executive Officer, Executive Director, General Counsel and Secretary-Treasurer shall receive anything of value, directly or indirectly, for serving in their official capacity with the Association, except as authorized by the Board of Directors.

Section 19. Subsistence and Travel Expense Reimbursements

Formatted: Indent: Left: 0", Hanging: 1", Tab stops: Not at 0" + 0.5"

Any Officer, Director, or employee of the Association, and his or her spouse, may be reimbursed or have pre-paid by the Association any subsistence and travel expense for Association business travel by the Officer, Director or employee on official business of the Association, including attendance at Board meetings, said total amount of subsistence and travel expenses not to exceed \$2,000 per person per travel event, without the express approval of the Chief Executive Officer and except as otherwise provided in these Bylaws.

Section 1920. Contract Negotiations with State Authorities and Associations

Formatted: Font: 12 pt

Formatted: Font: 12 pt

The Association shall represent horsemen with any state racing authority and may bargain collectively with racing associations in an attempt to reach agreements with respect to purses and other matters of interest and concern to horsemen.

Section 2021. Contracts with Racing Associations

Formatted: Font: 12 pt

Formatted: Font: 12 pt

No contract shall be made with a racing association for a term in excess of three (3) years, except with the advice and consent of the Board.

Any contract executed by a racing association and the Association shall be in writing and shall be signed by both parties thereto. It shall be made available to Members of the Association upon request.

The Association and all its Members shall abide by and be bound by any purse contract or other legal commitment entered into by the Association on behalf of the horsemen. The Association and all of its Officers, agents and employees shall utilize all of its legal power and authority to implement this bylaw.

Section ~~21~~²², Reporting Misconduct

Formatted: Font: 12 pt
Formatted: Font: 12 pt

Officers, Directors, Members, employees and agents of the Association are expressly authorized to report, anonymously or otherwise, any acts or omissions known to them which are believed in good faith to possibly constitute a violation of law, a violation of these Bylaws or to be otherwise harmful to the Association. Such reports should be made to the Secretary-Treasurer unless the report involves the conduct of the Secretary-Treasurer and then in that event to the highest ranking non-involved Officer beginning with the Chief Executive Officer.

Prompt and reasonable inquiry into all such reports shall be made by the Officer receiving same and if there is a reasonable basis for concluding that the reported acts or omissions may exist and may constitute a violation of law, a violation of these Bylaws or are otherwise harmful to the Association, the results of the inquiry shall be brought to the attention of the Chief Executive Officer and the Board for further consideration without undue delay.

No Officer, Director, Member, employee, or agent of the Association reporting such acts or omissions shall be subject to any adverse discriminatory action as a result of having made such a report.

Section ~~22~~^{Other 23}, Conflicts of Interest and Disclosures Required

Formatted: Font: 12 pt
Formatted: Font: 12 pt

No Officer, Director, Member or employee may participate in any commercial transaction of or related to the Association if the Officer, Director, employee or any member of his or her family has, directly or indirectly, any financial or other material interest, actual or potential, in the transaction, which interest is not readily and obviously apparent, as such participation constitutes a conflict of interest. In such a conflicted situation, the Officer, Director or employee shall expressly and fully disclose the actual or potential financial or other material interest in the transaction to the Chief Executive Officer and Secretary-Treasurer of the Association immediately upon receiving said knowledge and in sufficient time to provide an opportunity for the Association to make an appropriate response prior to the completion of any such transaction.

Participation in such a transaction without the express approval of the Board or the failure to timely disclose a conflict of interest as required by this bylaw shall (a) constitute a conflict of interest on the part of the participating Officer, Director or employee (b) shall be cause and grounds for the Association to revise, terminate or rescind any such transaction, and (c) may subject the offending Officer, Director or employee to the maximum disciplines provided for in these Bylaws.

The content of this bylaw shall be included in the Association's contracts so as to put all parties on notice and to bind all parties to the transaction to the conditions of this bylaw.

Section ~~23:~~24. Conflicts of Interest and Abstention

When any conflict of interest, as described in these Bylaws, arises in connection with any matter to come before the Board, any Director having a conflict of interest must disclose same, must comply with the conflict of interest policy of these Bylaws and must abstain from any participation in the consideration, discussion or vote on any such matter.

Any Member believing he or she has a conflict of interest that does not rise to the level of a conflict of interest as described in these Bylaws may nonetheless abstain from any consideration, discussion or vote on any such matter on his or her own volition.

Implementation of abstention as provided for in this bylaw shall not bear upon nor change the existence or non-existence of a quorum.

Formatted: Font: 12 pt
Formatted: Font: 12 pt

Section ~~24:~~25. Other Horsemen Entities

The Association exists for the purpose of serving the horsemen and their industry. The services provided by the Association are often for legal entities other than the Association. The Association and its Directors, Officers, agents and employees, in performing their duties for the Association, shall not act in the governance of the other legal entities but instead shall only provide services on the behalf of the other legal entities. The other legal entities shall be governed by their respective governing boards or the equivalents thereof.

Formatted: Font: 12 pt
Formatted: Font: 12 pt

Section ~~25:~~26. Tele-meetings

A ~~tele~~Tele-meeting is a meeting of the Association which is conducted by means of or with the ~~benefit~~assistance of telephone, video or other similar electronic devices utilized by one or more participants in lieu of his, her or their physical presence all as more fully defined in these Bylaws.

The Association or any subdivision thereof such as the Board or committees of the Association may conduct any meeting utilizing telephone, video or other similar electronic means which meeting shall be referred to as a tele-meeting and which shall be valid for all purposes when the when the meeting is in compliance with this bylaw.

Any such tele-meeting shall be conducted in the following manner:

- (a) all participants in the tele-meeting shall be able to hear each other and the proceedings; and
- (b) there shall be a duly noticed physical meeting location of the tele-meeting

Formatted: Font: 12 pt
Formatted: Font: 12 pt

designated where any participant wishing to attend and participate physically may do so; and

- (c) all documents and other things requiring personal observation shall be presented to the participants prior to or during the course of the meeting except where such showing is specifically waived by any participant as unnecessary; and
- (d) participants shall be vocally identified before speaking where their identification is not already obvious to all; and
- (e) all votes shall be by roll call unless the vote is unanimous.

Each participant shall be considered present at the meeting for all purposes including the purpose of determining a quorum.

Except as otherwise provided herein, all other requirements of the Bylaws governing meetings of the Board shall apply to tele-meetings.

Tele-meetings conducted in accordance with the provisions of this bylaw shall be valid meetings not subject to challenge on the grounds that one or more participants were not present and/or participated by telephone, video or other similar electronic device.

Formatted: _level1, Indent: First line: 0.5", Tab stops: 6.5", Left

Section 27. No Personal Inurement of Association Earnings or Assets

The Association shall operate exclusively as a business league within the meaning of Section 501(c)(6) of the Internal Revenue Code of 1986 as amended and in no event shall any part of the net earnings or other assets inure to the benefit of any individual.

Section 28. Minutes of Meetings

The Executive Director shall assure that the Board and all committees of the Board keep accurate and complete minutes of all meetings including, in particular but limited thereto, the date, time, place, agenda, and all decisions made.

ARTICLE III.

Formatted: Font: 12 pt

MEMBERSHIP

Formatted: None, Widow/Orphan control, Tab stops: Not at 0" + 3.25" + 3.5" + 4" + 4.5" + 5" + 5.5" + 6" + 6.5"

Section 1. Eligibility

Formatted: Font: 12 pt

Any person who is an Owner, Owner-Trainer, or Trainer of a racehorse who is currently licensed, as such, by the Louisiana State Racing Commission, shall be eligible for membership in the Association. Any partnership, corporation or other entity which is so licensed shall likewise be eligible to become a Qualified Entity and to have its members qualify as Qualified Entity Members. Provided, however, that any person or entity that directly or indirectly, owns the aggregate of less than one total racehorse, shall not be eligible for membership as an owner ; regardless of licensing.

Formatted: Font: 12 pt

Section 2. Membership

Formatted: Font: 12 pt

Any person who is an Owner, Owner-Trainer, Trainer or Qualified Entity Member eligible for membership in the Association shall become a Member at such time as such person, or the Qualified Entity through which eligibility for membership is established, shall Start a racehorse in a legally authorized horserace in Louisiana (which is a race on which pari-mutuel wagering is authorized by law), unless the Association is notified in writing by such eligible person that such person does not desire to be a Member of the Association.

Section 3. Duties of Membership; non-disbursable monies

Formatted: Font: 12 pt

- (A) It shall be the duty of each Member 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 Association.
- (B) Each Member, by accepting the benefits of membership, agrees (i) to abide and be bound by the Bylaws of the Association; (ii) to accept any order or decision of the Board of Directors; (iii) to accept as final any decision of the Board of Directors after a hearing, and (iv) to hold the Association, its Officers, Directors and employees harmless for any action taken or not taken by it, its Officers, agents, employees, the Board and its members.
- (C) Where not otherwise specified by law, contract or other arrangement, each Member shall contribute to the Association not less than four (4%) percent of any purses earned by the Member, to be used by the Association for the benefit of horsemen including the operations of the Association’s affiliated benevolent trusts.

Where a contract, law or other arrangement exists between the Association and a racing association for a deduction different than that as provided in this Subsection, all horsemen racing at the racetrack of that racing association shall be subject to such different deductions from any purse or otherwise.

Unpaid contributions shall remain the obligation of a Member, irrespective of a change in the jurisdiction in which a Member may be racing. The Board of

Directors or the Secretary-Treasurer shall notify each Member leaving the jurisdiction of the Association with any unpaid balance by letter to the address last provided to the Association stating that the Member is in default in the payment of the Member's contributions, giving the amount thereof, and warning said Member that failure to pay unpaid contributions will be deemed a resignation from the Association, or that they will be subject to suspension or expulsion from the Association for failure to make said payment, and that they are no longer entitled to the privileges and benefits of the Association, until payment thereof is received. In the absence of payment of the unpaid contribution, the name of the defaulting Member shall be added to the non-member list of the Association. A person or entity whose name is on the non-member list of the Association shall be reinstated upon payment in full of the delinquent contributions, proof of good standing, and upon compliance with the provisions of Sections 1 and 2 of this Article.

- (D) **Non-disbursable Monies.** It shall be the duty of each Member to claim and withdraw from the Association, including the Horsemen's Bookkeeper's Account, all monies, purses or other monies due to said Member. All monies not so claimed and withdrawn from any Horsemen's Bookkeeper Account or other equivalent accounts that have also had no deposits, withdrawals or other activity for more than three years and where diligent and reasonable efforts of the Association to disburse said monies to said Member have failed, shall be non-disbursable monies.

The Association shall make diligent and reasonable efforts to disburse all non-disbursable monies to the Members whose names appear on the Horsemen's Bookkeeper's Account or other equivalent accounts. When diligent and reasonable efforts of the Association to disburse non-disbursable monies to Members whose names appear on any account fail, then in that event, those non-disbursable monies may be maintained by the Association and may be used by the Association for the benefit and welfare of the Members in a manner consistent with the objectives and purposes of the Association subject to the following conditions.

No Member or former Member who had monies that became non-disbursable monies shall have any further claim to the non-disbursable monies except as follows. Upon proper documentation being made by any such Member or former Member that the said Member previously had the ownership right to such non-disbursable monies and wishes to reassert same, nothing contained herein shall prevent the Association from paying said non-disbursable monies or an equivalent sum to said Member and, any such documented claim shall be paid by the Association upon due proof of the prior ownership being made by the Member or former Member or by the prior ownership being apparent from the records of the

Formatted: Font: 12 pt

Association.

The Association shall keep non-disbursable money segregated by account from other monies, shall at all times keep not less than thirty percent (30%) of such monies in readily available funds and shall keep and preserve the records pertaining to the ownership of such non-disbursable monies in perpetuity.

- (E) Every Member shall provide the Members contact information to the Secretary-Treasurer of the Association, said contact information shall include especially, but not be limited to, the Member's mailing address. Any changes in the Member's mailing address must be reported by the Member without delay to the Secretary-Treasurer.

Section 4. Tenure of Membership

Formatted: Font: 12 pt

- (A) **Tenure.** A Member of the Association shall remain a Member (i) so long as the Member, or the entity through which membership is established, is a licensed Owner, Owner-Trainer, or Trainer of a racehorse as provided for herein, (ii) until the close of the calendar year following the last calendar year during which the Member, or such entity, started such a Horse in a race in Louisiana, (iii) so long as the Member does not have a conflict as described in Article IV, Section 10 that has not been waived by the Board of Directors of the Association.
- (B) **Resignation.** A Member may resign from the Association by (i) written resignation; or (ii) by failing or refusing to allow and/or pay contributions 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 pursuant to the provisions of Article III, Section 3(C) has been made and not having paid the contribution promptly upon demand.
- (C) **Suspension or Expulsion.** A Member of the Association may be censured, suspended or expelled from membership in the Association 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 these Bylaws, or for illegal, unethical or unsportsmanlike conduct, or for improper conduct unnecessarily damaging to the reputation of horseracing or the Association, or for failure to maintain his or her license issued by the Louisiana State Racing Commission or failure to maintain any other requirement of membership, or any other cause when the relevant acts or omissions of the Member are found to be of such a nature that continued membership is detrimental to or not in the best interest of the Association, and as otherwise provided in these Bylaws. Prior to suspension or revocation of membership, a Member shall be given Reasonable Notice of the hearing which notice shall contain the date, time and place of the hearing, a description of the matters to be heard, notice that the Member shall have the right to be heard in

person or by counsel, to cross examine witnesses and to introduce evidence on the Member's behalf.

While a Member is suspended or expelled, no benefits of membership will be provided to that Member, nor shall the Member enjoy the rights and privileges of membership unless determined otherwise by the Board.

In addition to the powers of the Board expressed in Article II, Section 3, any Officer or Director of the Association 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 sufficiently detrimental to the best interests of the Association or as otherwise provided in these Bylaws. 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 or her behalf.

ARTICLE IV.

ELECTIONS AND VOTING

Section 1. Supervision of Elections

All Association elections shall be under the general supervision of the Board of Directors to the extent required by the Articles of Incorporation. However, since the elections are for membership on the Board, no member of the Board should exercise any more direct control over elections than is necessary. An Independent Election Contractor, as provided for in these Bylaws ~~should~~ be relied upon to actually conduct the election.

Section 2. Elections

Beginning with the election of 2011, all elections for the Board shall be conducted by an Independent Election Contractor and said elections shall thereafter be held every four (4) years.

Directors shall hold office during their term and until their successors are elected and take office. Election day shall be the last day of March and each fourth anniversary date after the 2011 election. If the last day of March falls on a Saturday, Sunday or other recognized holiday, then election day shall be the next day.

A candidate elected to office shall take office on the eighth (8th) calendar day after the certification of the election results by the Independent Election Contractor.

Formatted: Font: 12 pt

Formatted: Font: 12 pt

The mere filing of a Protest or Charge shall not delay or otherwise affect the assumption of office or status of any newly elected Director, as any affect of a protest or charge may occur only after a hearing has been held and the final decision made in accordance with these Bylaws.

Section 3. Nominations

Formatted: Font: 12 pt

Any Member in good standing meeting the minimum qualifications for office as established herein may be a candidate if nominated. Any Member qualified to vote may nominate any other Member for office.

All nominations must be written, be signed, clearly identify the person or persons making the nomination, be unambiguous as to the Member or Members being nominated, be unambiguous as to the position or category of position to which any Member is being nominated and must be received by the Independent Election Contractor not later than the deadline date for nominations posted at the ~~Association main office~~ Association's headquarters, satellite offices and on the Association's website in order for a nomination to be valid.

The deadline for nominations to be received by the Independent Election Contractor shall be not less than twenty-one (21) days after the posting of notice of said deadline.

A candidate may be nominated to run for and may only serve in one elected office.

The posted deadline date for nominations shall be the date all nominations are considered as having been made and that date shall be referred to as the date of nomination for purposes of determining eligibility and otherwise.

Formatted: Font: 12 pt

Section 4. Notice and Acceptance of Nomination

Within five days of the last day for nominations, the Independent Election Contractor shall mail a notice of the nomination for office to the mailing address of each nominated candidate, as shown on the current membership roster, by certified mail or with proof of mailing where not possible to do so by certified mail. The notice shall also state the method of acceptance of the nomination which is as follows.

To become a candidate, the nominated Member must accept the nomination in the following manner. Within fifteen (15) days of the mailing of notice of nomination for office, said candidate shall complete and mail to the Independent Election Contractor an executed affidavit on a form furnished by the Independent Election Contractor stating that:

- (A) The candidate fulfills all of the requirements for eligibility for office as provided in this Article; and
- (B) The candidate has read the requirements of the Bylaws respecting elections and the candidate, agrees to be bound by all of them, and will obey any decision of the

Board of Directors in regard thereto; and

- (C) The candidate will run for office, serve if elected, and remain eligible during the term of any office to which elected; and
- (D) The candidate is not a member, officer or director of any rival horsemen's organization, and will not enter or maintain any relationship that involves a conflict of interest regarding rival horsemen's organizations as described in these Bylaws.

The candidate for office may also mail to the Independent Election Contractor, together with the candidate's affidavit, a biographical and policy statement of not more than three hundred (300) words and/or a photo within the same time limits required for the affidavit. The biographical and policy statement shall be issued as the candidate's official statement by enclosing a copy thereof with the ballot to be used in the election but the biographical and policy statement shall not be otherwise issued, disseminated or used by the Association or the Independent Election Contractor.

The Independent Election Contractor shall secure and preserve all records pertaining to the election including a list of all persons nominated, their affidavits, photos, biographical and policy statements, and the current membership roster of the Association utilized in the election for not less than eight (8) calendar days following election day unless a valid Protest is received within seven (7) calendar days following election day in which event the Independent Election Contractor shall maintain all such records until all timely received Protests are heard and decided by the body of last resort.

Section 5. Election Activity

Candidates, Members and anyone acting on a candidates behalf shall not, directly or indirectly, engage in activity of electioneering, campaigning, political activity, or any other activity which promotes a candidate's election except as expressly provided in this Section as permitted activity.

Permitted activity which promotes a candidate's election shall be restricted to speaking in person or by telephone to any eligible voter. Permitted activity shall not include dissemination, by any means, of false information about a candidate. The dissemination of false and defamatory information about candidates is harmful to the Association and is strictly prohibited.

Electioneering, campaigning or other political activity which promotes the candidate's election and which, by way of example, is prohibited shall include, but not be limited to, the distribution of letters, sample ballots, placards, banners or any other material or device supporting, opposing or endorsing a candidate or candidates.

Formatted: Font: 12 pt
Formatted: Font: 12 pt

If any prohibited or political activity, electioneering or distribution of campaign materials is engaged in by a candidate or on behalf of a candidate in violation of this Section with the knowledge and consent of a candidate, such candidate may be disqualified (a) as a candidate for office or (b) from taking office. Any Members found in violation of this Section may have their membership terminated.

Section 6. Protests of Candidacy and of Conduct of Election

Formatted: Font: 12 pt

A Protest may be filed challenging a candidate's eligibility or challenging the conduct of an election but must be made by one or more Members in writing and delivered by any means to the Independent Election Contractor and to the Secretary-Treasurer at the Association's headquarters. No such Protest of a candidate or an election may be acted upon or considered valid if received by the Independent Election Contractor after the expiration of seven (7) days following the earliest of either (1) the acts, omissions or conditions forming the basis of the Protests or (2) after the expiration of seven (7) days from when the acts, omissions or conditions were known or should have been known by the protesting Member(s). Further, in no event, may any Protest be acted upon or considered valid or actionable if the Protest is not received by the Independent Election Contractor within seven (7) calendar days following election day. The burden of proof shall be upon protestants to prove that the Protest is timely. To be considered, each Protest shall contain a complete and specific statement of the facts which, if proven, would constitute an actionable violation. At a hearing, the protestants must be prepared to substantiate the Protest by sworn testimony, documentation or other relevant and competent evidence.

All expenses of any kind incurred by the protestants shall be borne by the protestants. In the event any protest is found to be unsubstantiated or frivolous all necessary and reasonable expenses of any kind incurred by the ~~candidate~~challenged Members and the Association shall be borne by the protestants. No expenses of any kind of any party, person or entity will be assumed by or required to be paid by the Association. Prior to the hearing of a protest, protestants must post security in a sum reasonably calculated to approximate the anticipated expenses of the Association and any challenged Members and said security shall be in a form acceptable to the Board or the presiding hearing officer, as the case may be.

Formatted: Font: 12 pt

Section 7. Conduct of Elections

Formatted: Font: 12 pt

Voting shall be by secret ballot. All voting and election procedures shall be directed and implemented by the Independent Election Contractor who shall carry out all duties necessary and incidental to the conduct of the election including, but not limited to, the following duties and not necessarily in this order:

- (A) Receive the current membership roster of eligible voters with their addresses from the Secretary Treasurer and other relevant information as may be helpful or necessary; and

- (B) Select and contract with an independent printing and mailing contractor, or conduct themselves, at the Independent Election Contractor's option, the printing of the ballots and election envelopes and the mailing of the ballots to the Members on the current membership roster; and
- (C) Provide the current membership roster of eligible voters to the independent printing and mailing contractor for the mailing of the ballots if such contractor or contractors is being utilized; and
- (D) Receive by mail incoming voted ballots; and
- (E) Verify that no individual security numbers are utilized more than once in voting; and
- (F) Receive and count all eligible voted ballots received on election day; and
- (G) Certify and announce the results of the election following completion of the counting of the ballots; and
- (H) Preserve all records pertaining to the election in the Independent Election Contractor's possession or in the possession of the printer and/or mailer contractor for not less than eight (8) days following election day or following the certification of the election results by the Independent Election Contractor, whichever date is later; and
- (I) Promptly make note of all election envelopes as returned due to bad addresses and attempt to locate correct addresses and, time permitting, attempt a re-mailing; and
- (J) Date stamp all election envelopes when received and group same in sequentially numbered batches of 50 each; and
- (K) Assure that all election envelopes are preserved as received for the counting and that the counting does not begin until the last batch of mail is received on election day; and
- (L) Count the votes one batch at a time beginning on election day; and
- (M) Assure that the election envelope labeled "Ballot Envelope" has a legible eligible voter's security number on the outside of the envelope; and
- (N) Preserve but not count ballots unaccompanied by an eligible voter's security number; and

- (O) Assure that any persons involved in counting or preserving election records are not associated with the horseracing industry nor have any interest in the outcome of the election; and
- (P) Preserve but not count any ballots in any election envelope containing more than one ballot; and
- (Q) Preserve but not open or count any ballot envelopes with the same security number as one previously received in the counting process; and
- (R) Refrain from counting any category of a ballot where the voter voted for more candidates than can be elected in that category, more particularly, voted for more than 5 owners for Owner directors or voted for more than five trainers for Trainer or Owner-Trainer directors; and
- (S) Recount each batch by another counting team to verify the result and reconcile any difference in count by a third count or such additional counts as may be necessary to reconcile the count; and
- (T) Maintain separately and permanently the ballot envelopes from the envelopes which enclosed them once the ballot envelopes are removed; and
- (U) Certify and announce the results of the election to the Board of Directors, General Counsel and the Secretary-Treasurer. and
- (V) Assure that the mail to the eligible voters contains the following:
 1. A ballot marked Ballot; and
 2. An envelope, which is capable of being sealed, marked "BALLOT ENVELOPE" and which contains a designated area for the voting Member's security number; and
 3. The approved biographical and policy statements, provided by the candidates; and
 4. A self-addressed business reply envelope addressed to the Independent Election Contractor. Said business reply envelope shall be sent by U. S. mail, postage prepaid or shall be clearly marked to indicate that postage must be paid by the voting Member

The Independent Election Contractor may make suggestions of other procedures that make the process more efficient, less costly or more desirable without sacrificing, in any way, the integrity of the election. The Board may accept such suggestions

with due notice to candidates or voters where such notice is appropriate or, in fairness, necessary

It is the duty of every Member to keep the Member's contact information current for the membership roster. The Secretary-Treasurer shall be responsible for maintaining the current membership roster, the roster of eligible voters, the Members' contact information and the Members' social security numbers in a manner that is secure from all other persons including Officers and Directors of the Association and the Secretary-Treasurer may make the foregoing information available on an as needed basis only for necessary purposes of the Association and purposes for which the material and information is maintained but then only under circumstances that assures the confidentiality of the rosters, the information the rosters contain and the other foregoing described information.

The Secretary-Treasurer of the Association shall furnish, to the Independent Election Contractor, the current membership roster of eligible voters for mailing of ballots and related election material which roster shall be maintained, for purposes of voting, through the last day prior to the mailing of the ballots. Prior to the mailing of ballots to Members, the Secretary-Treasurer or other duly authorized Association representative(s) shall use reasonable efforts to confirm the identity and present address of each Member eligible to vote. When the eligibility, identity and/or address of a Member is challenged in writing at least seven (7) days prior to the ballots being mailed, the Secretary-Treasurer shall immediately inform the Independent Election Contractor so that the Independent Election Contractor may carry out additional steps to confirm or correct the current membership roster as it relates to the eligibility, identity and/or addresses of Members so challenged.

The Independent Election Contractor shall physically maintain one or more representatives at each racetrack who shall present the same material mailed to the Members of the Association to any Member, appearing in person, who requests said material on the representation that the said Member has not received the material by mail. Any such distribution of ballots shall be strictly accounted for by the Independent Election Contractor's representative so as to record each and every such ballot so distributed by the Independent Election Contractor and each and every Member being provided a ballot by this method. Each eligible voter receiving a ballot by this method shall sign a log which log shall plainly state the date, full name, signature and security number or an alternate and equivalent security means determined by the Independent Election Contractor to serve the purpose of a security number and to thereby maintaining the integrity of the election. The log, unused materials such as unused ballots and all other related material and records shall be preserved by the Independent Election Contractor as election records.

Section 8. Voting

A voting Member shall cast a legal vote by:

- 1) marking the ballot named Ballot; and
- 2) enclosing and sealing the ballot inside the envelope marked “BALLOT ENVELOPE”; and
- 3) placing the voting Member’s security number on the “BALLOT ENVELOPE” in the designated area; and
- 4) enclosing and sealing said “BALLOT ENVELOPE” in the self-addressed business reply envelope that has been pre-addressed to the Independent Election Contractor; and
- 5) posting the business reply envelope addressed to the Independent Election Contractor.

Failure of a Member to enclose the ballot in the envelope marked “BALLOT ENVELOPE” shall not, in and of itself, constitute a ground for voiding said ballot.

When two or more ballots are enclosed in the one business reply envelope all of the ballots enclosed in the one business reply envelope shall be disqualified.

The second and all subsequent Ballot Envelopes received with the same security number shall be left unopened and disqualified, allowing as valid only the first ballot received as the eligible ballot.

Formatted: Font: 12 pt

Any Association election that fails to follow the procedures authorized in this Article in a material way and which failure or failures can be demonstrated to have affected the outcome of the election may be subject to Protest. If the Board of Directors determines a Protest to an election is valid, it may decree the holding of a new election, in whole or in part, or it may decree that the Protest, even though valid, does not reveal a defect that would have changed or did change the outcome of the election and, therefore take no further action.

Section 9. Qualified Entity Members Voting

Formatted: Font: 12 pt

Notwithstanding any other provision of the Bylaws to the contrary, a Qualified Entity shall not be eligible to vote. However, the members of any Qualified Entity desiring to vote, who meet the same eligibility requirements of voting for individual Members of the Association and who demonstrate their individual eligibility as described below, shall be Qualified Entity Members and shall be permitted to vote.

The Secretary-Treasurer shall make inquiries of the Louisiana State Racing Commission and/or send inquiries to Qualified Entities on the roster for the purpose of learning who the Qualified Entity Members are, whether the Qualified Entity Members desire to vote and where each of the Qualified Members desiring to vote wishes to receive his or her ballot. The

Secretary-Treasurer shall then provide: (1) a ballot to each Qualified Entity Member whose eligibility is apparent to the Secretary-Treasurer and (2) forms for the purpose of demonstrating eligibility to Qualified Entities for distribution to those prospective Qualified Entity Members whose eligibility is not apparent to the Secretary-Treasurer. The Secretary-Treasurer may seek other information to determine that the prospective Qualified Entity Member whose eligibility is not apparent is, in fact, a Qualified Entity Member and upon such determination shall then provide a ballot to such Qualified Entity Member.

It is the intent and purpose of the above and foregoing provisions to assist in providing that (1) no individual votes more than once in any election; and (2) individuals deriving membership through a Qualified Entity, and otherwise eligible to vote, not be prevented from voting by a voting method that would result in each Qualified Entity having only one vote in lieu of each of its individual qualified members each having a vote.

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

Section 10. Other Organizations - Conflicts of Interest

Formatted: Font: 12 pt

No person who is or whose spouse is (a) an owner, Officer or Director of, or employed by a racing association, (b) a member or employee of the Racing Commission, (c) an owner Officer or Director of, or employed by any person or entity whose conduct or interest is presently, potentially or historically in substantial conflict with the interest of the Association shall be put on the ballot as or be a candidate for Director of the Association. This prohibition must be raised by Protest as provided for herein.

Notwithstanding the forgoing, the prohibition may be waived by a two-thirds (2/3) vote of the ~~elected members of the Board~~Directors and said waiver shall be accompanied by a finding of the Board that such waiver is in the best interest of the Association. And, upon the Board receiving credible proof of such a candidate removing the impediment to his or her candidacy by resignation of position or divestiture of ownership there shall be a rebuttable presumption that the conflict has been removed and the waiver granted. Where any such conflict of interest existed and is waived by the Board, the member who serves on the Board after having obtained a waiver shall not vote or otherwise participate in any deliberation or decision related, directly or indirectly to the waived conflict.

Section 11. Election of and Eligibility for the Board

Formatted: Font: 12 pt

The Board of Directors shall be elected by the Association's eligible 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 stand as a candidate for Director, unless:

- (A) The person has been a Member in good standing of the Association as defined in Article III for not less than the thirty-six (36) month period immediately preceding and including the date of the nomination; and
- (B) The person has started one or more Horses a minimum of five (5) times in the jurisdiction of the Association while a Member in good standing in the Association in each calendar year forming a part of the thirty-six (36) month period immediately preceding and including the date of the nomination; and
- (C) The persons nominated as or a candidate as an Owner only director shall have started a Horse a minimum of five (5) times as an Owner only in the jurisdiction of the Association in the calendar year immediately preceding and including the date of nomination; and
- ~~(E)~~(F) The persons nominated as or a candidate as a Trainer or Owner-Trainer director shall have started a Horse a minimum of five (5) times as a Trainer or Owner- Trainer in the jurisdiction of the Association in the calendar year immediately preceding and including the date of nomination.

The term “calendar year” for the purposes of this Section shall mean the 365 days immediately preceding the date of nomination of a candidate.

In the election of Directors, the five Owners only who receive the most votes shall be elected to the Board. The five Trainers or Owner-Trainers who receive the most votes shall be elected to the Board. The candidate having the next highest number of votes, without regard to that candidate’s category, shall fill the eleventh position on the Board. Thereafter, those unelected candidates remaining shall serve as alternates in their respective categories in order to fill vacancies in such categories in the order of total votes received with the candidate with the highest vote total in the category experiencing a vacancy being the alternate next in line to fill that vacancy.

In the event of a tie for any unfilled position, the position shall be filled by the flip of a coin conducted by a person selected by the Board who is of good reputation and who has no connection to the racing industry and no interest in the outcome of the coin toss. The coin toss shall be conducted at a duly noticed meeting of the Board and this Board meeting shall be open to the membership,

ARTICLE V.

OFFICERS

Section 1. Board of Directors

(A) Composition.

The Board of Directors shall be composed of eleven (11) elected ~~members~~Members of the Association. Beginning in the election of 2011, ~~Members of the Board~~Directors shall each serve for four (4) year terms and until their successors have been duly elected and take office.

A vacancy on the Board exists when any member of the Board dies, resigns, is removed, is unable to serve because of illness or otherwise, or has the member's office declared vacant by a Majority Vote of the Board following his or her absence at two consecutive meetings of the Board without either or both such absences having been excused by a Majority Vote of the Board. A vacancy on the Board, regardless of how it occurs, shall be filled by naming the alternate, 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 in the relevant category, the vacancy shall be filled by a Member of the Association in good standing that meets the qualifications for the position. Such person shall be selected by the Board and by a Majority Vote of the Board. For the purposes of this Section, the term "Trainer" shall include "Owner-Trainer."

(B) Meetings; Quorum; Voting by Chairman and Vice Chairman; Proxies

A majority of the Board shall constitute a quorum for the conduct of business at a Board meeting, and a lesser number may adjourn a meeting from time to time pending attendance of a quorum. However, if a quorum was present when the meeting was convened, the Directors present, even if less than a majority, may continue to do business, taking action by vote of a majority of a quorum as fixed above until adjournment, notwithstanding the refusal of any Director to vote or the withdrawal of enough Directors leaving less than a quorum physically present or participating telephonically.

Unless otherwise expressly stated in these Bylaws a Majority Vote of the Board shall be required for Board actions and decisions.

The Chairman of the Board and the Vice Chairman when the Vice Chairman is acting as the Chairman shall be entitled to vote as a member of the Board, but only in the case of a tie.

Proxies shall not be utilized, permitted or accepted.

To the extent practical the Board should hold bimonthly meetings and on non-racing days. Such other meetings as the welfare of the Association may require may also be held. Notwithstanding the provisions of *Robert's Rules of Order*, Members and guests may be authorized to attend Board meetings at the discretion of the Chairman whose decision shall be final unless overruled by a Majority Vote of the Board.

Formatted: Font: 12 pt

The Chairman of the Board issues the calls for Board meetings and such additional meetings as the welfare of the Association may require. However, the Chairman of the Board shall, upon receipt of written petition of not less than a majority of the Directors, issue Reasonable Notice of a meeting of the Board within ten (10) days of receipt of the petition if a race meeting is in progress and within thirty (30) days if no race meeting is in progress. The Chairman of the Board shall, upon receipt of written petition of fifty (50) or more Members of the Association, issue Reasonable Notice of a General Membership Meeting of the Association within fourteen (14) days of receipt of the petition if a race meeting is in progress and within thirty (30) days if no race meeting is in progress. A petition for a General Membership Meeting, must state with clarity the primary purposes or issues for which the meeting is called. Such General Membership Meeting shall be held in the vicinity of the racing Association having the most connection with the purposes or issues for which the meeting is called. This requirement to state the purposes or issues shall not prevent the consideration of other issues at the meeting. Decisions, recommendations and resolutions passed at General Membership Meetings shall be advisory only.

(C) Responsibilities

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

(D) Executive Session

The Board is bound by these Bylaws to conduct the Association's proceedings in accordance with *Robert's Rules of Order*, or as otherwise directed by a Majority Vote of the Board of Directors of the Association and, as such, the Chairman may by ruling of the chair exclude any non-Directors or other persons from board meetings or portions of board meetings and any challenge to said ruling by a Director shall be determined by Majority Vote of the Board.

In matters pertaining to personnel decisions, litigation, legislation and such other matters where it is determined by the Board that the discussion of the relevant subject calls for or requires confidentiality the Board may by Majority Vote of the Board enter into executive session for the purpose of conducting the discussion of such matters. Minutes of executive sessions, which shall entail discussions only,

shall not be taken. When the discussions of the special matters to be discussed in executive session are completed then executive session must be concluded and any decision to be made on the matters discussed in executive session must thereafter be made in a Board meeting and the minutes of the Board meeting out of executive session shall record all such decisions.

(E) Liaison with Membership

The Association shall, by means of a publication including a periodic newsletter prepared and issued by the Association, maintain close liaison with the membership of the Association and shall keep the membership of the Association fully informed concerning all Association business, decisions and all other matters of interest to horsemen.

(F) Financial Records

The Board of Directors shall, at the end of each of the Association's fiscal years, cause an audit to be made of the books of the Association in the manner directed by the Secretary-Treasurer; and such audit shall be certified by a certified public accountant, whose engagement shall have been approved by the Board of Directors. The Board may direct other audits to be carried out as it deems advisable.

The financial records of the Association, including the audit, thereof, shall be open for inspection to any Director. Upon written request and for proper cause, any Member of the Association may view any records under reasonable conditions and circumstances as established by the Association that do not unduly interfere with the operation of the Association all as is more fully set out in these Bylaws.

(G) Bank Accounts; Association Obligations

No bank account, savings account, certificate of deposit, U.S. Treasury Bill or other Association investment of any kind whatsoever may be opened, purchased and/or maintained by the Association without notice to the Secretary-Treasurer and without approval by the Board. Withdrawal from or liquidation, or redemption at maturity, or otherwise of any account, certificate of deposit, U.S. Treasury Bill or investment, must bear the signature of the Officers required by Article II, Section 5 hereof, provided that any two Officers of the Association may sign checks drawn on the Association's accounts when specific written permission has been requested and granted by either the Chief Executive Officer or the Secretary-Treasurer.

(H) Bonding

The ~~Directors,~~ Chief Executive Officer, ~~other Officers and~~ employees of the Association, ~~and members of the Board~~ as may be specifically designated by the Board, ~~the Executive Director, and the Secretary Treasurer~~ shall, at the cost of the Association, be bonded or insured for their faithful performance in such amounts and in such manner as determined by the Board and as provided by law.

Section 2. The Officers

Formatted: Font: 12 pt

The Officers of the Association shall, except as noted below, be a Chief Executive Officer, an Executive Director, a Secretary-Treasurer, and ~~a General Counsel and~~ may include a Certified Public Accountant/Auditor ~~and a General Counsel~~. However, the General Counsel and the Certified Public Accountant/Auditor may be engaged as independent contractors or engaged under some other non-employee relationship and when so engaged, the General Counsel and/or the Certified Public Accountant/Auditor shall not be an Officer of the Association.

~~The Executive Director, the Secretary Treasurer, the Certified Public Accountant /Auditor and such other employees of the Association, as may be designated by the Board, shall be bonded in such amounts as determined by the Board. A Certified Public Accountant/Auditor when appointed or removed must be accomplished by a two thirds (2/3) vote of the Board. A two-thirds (2/3) vote of the Board shall be required to appoint or remove the Certified Public Accountant/Auditor.~~

Formatted: Font: 12 pt

Section 3. The Chief Executive Officer

The Chief Executive Officer shall be the Officer in charge and direct supervision of all operations of the Association.

The Chief Executive Officer shall be appointed by and removed by a Majority Vote of the Board and should possess the following or similar qualifications. The Chief Executive Officer should: possess a college degree from a recognized four year college or university; be prepared and able to serve the Association on a full time basis; have five or more years experience in upper level management; possess proficiency in planning, managing personnel, and management of for profit or not for profit organizations; enjoy a good business and personal reputation and have such other education, experience and skills as would be helpful in fulfilling the position.

The first Chief Executive Officer shall be appointed by the Directors elected and taking office as a result of the 2011 election.

The Chief Operating Officer's duties shall include the following:

- (A) The Chief Executive Officer shall, in consultation with the Chairman of the Board, prepare the agenda for meetings of the Board and General Membership meetings; and

The Chief Executive Officer shall designate in writing two (2) Officers who shall be authorized to sign checks on behalf of the Association until said authorization is removed in writing by the Chief Executive Officer. One such Officer may be the Chief Executive Officer; and

- (B) The Chief Executive Officer shall report to the Board any irregularities or derelictions on the part of any Officer ~~or~~ employee and any member of the Board; and

Formatted: Font: 12 pt

- (C) The Chief Executive Officer shall appoint members of all ~~standing and special~~ committees, except committees of the Board and as otherwise provided herein or otherwise determined by the Board; and

Formatted: Font: 12 pt

- (D) The Chief Executive Officer shall be a non-voting *ex officio* non voting member of all standing, special and other committees including those committees established by the Board unless the Board specifies otherwise. and

- (E) The Chief Executive Officer 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 participate in horseracing, or for the violation of these Bylaws; and

- (F) The Chief Executive Officer shall, with the agreement of the Chairman of the Board, call any General Membership Meetings and at least one (1) such General Membership Meeting during each calendar year. The Chief Executive Officer shall cooperate with the Board in maintaining liaison with the membership and keeping ~~the Board~~ informed of operations; and

- (G) The Chief Executive Officer shall assure that no Officer shall 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.

- (J) The Chief Executive Officer shall:

- i. appoint, employ, suspend, terminate and otherwise discipline employees and ~~Officers; and~~

- ~~ii.~~ ii. ~~with the approval of the Finance Board, Officers; and~~
 - ~~ii.~~ ii. ~~with the approval of the Audit Committee;~~ determine the salaries, wages and ~~and~~ other compensation of employees and Officers; and
 - iii. supervise the Officers and employees.
- (K) The Chief Executive Director ~~Officer~~ shall carry out the policies and decisions of the Board, shall assure compliance with these Bylaws and the Articles of Incorporation and otherwise devote all effort required to cause the Association to meet its goals and objectives; and
- (L) The Chief Executive Director ~~Officer~~ shall make a five-year business plan for the Association and present same to the Board in December of each year reporting at that time on any recommended changes and accomplishments.

Section 4. The Chairman of the Board

Formatted: Font: 12 pt

The Chairman of the Board shall preside over the Board of Directors, maintain supervision over the affairs of the Board including the establishment and implementation of the Association's policies and shall maintain general supervision over the Associations operations and its general welfare.

Formatted: Font: 12 pt

Section 5. The Vice Chairman of the Board

The Vice Chairman of the Board shall, in times of necessity or occasions of convenience to the Chairman, fulfill the ministerial duties of the Chairman of the Board. In the event of the Chairman of the Board's resignation, expulsion, incapacitation, permanent disability, disqualification, illness or other inability to perform his or her duties, the Vice Chairman will carry out all duties of the Chairman.

Formatted: Font: 12 pt

Section 6. The Secretary-Treasurer

The Secretary-Treasurer and all other employees of the Association shall be appointed by the Chief Executive Officer with the approval of a majority ~~Majority~~ of the Board. The Secretary-Treasurer shall take office upon appointment ~~by the Chief Executive Officer.~~ The Secretary-Treasurer may be dismissed by the Chief Executive Officer, with the approval of a majority ~~Majority~~ of the Board, for failure to perform the duties of that office as provided in the Bylaws. The Secretary-Treasurer shall not be a member of the Board nor have a vote thereon.

The Secretary-Treasurer shall:

- (A) Attend meetings of the Association and of the Board, assure preparation and retention of the minutes thereof, and, when requested by the Chief Executive Officer, assist in the preparation of the agendas for all such meetings; and, ~~assure the preparation and retention of the minutes thereof; and~~
- (B) Keep a record of all track and racing statistics of race meetings located in and/or conducted in Louisiana for the Association; and
- (C) Collect and deposit all monies in the name of the Association, but only in the Association's accounts which accounts shall be guaranteed by the U.—S. Government to the extent possible. The Secretary-Treasurer shall not sign any signature cards for any Association account, deposit funds in any financial institution, or sign any notes, negotiable instruments or ~~obligation~~obligations of the Association except as specifically provided by the Bylaws or with the express approval of the Board; and
- (D) Draw and issue checks for the payment of the Association's obligation which payments have been generally approved by the ~~Finance~~Audit Committee; and
- (E) Require banks designated as depositories for Association funds to send or provide upon request canceled checks, and to send bank statements monthly to the Association, all of which the Secretary-Treasurer shall retain for a period of not less than ~~ten (10)~~five (5) years but in any event for the period required by law; and
- (F) Retain and maintain on a current basis such books and accounts as may be necessary or required to record all financial transactions of the Association and to correctly show the financial condition of the Association; and
- (G) Provide to the Board of Directors not less than quarterly statements showing income and disbursements, monies on hand, and other financial activities of the Association; and
- (H) Render all possible assistance and service to the Chief Executive Officer, the Board, Officers and Members of the Association; and
- (I) ~~Make available to, upon~~Upon written request, make available to Members a copy of any executed contract and/or purse agreement; and
- (J) Notify the Board of Directors forthwith of any Charges brought or anticipated to be brought against any Director, Officer, employee or agent that allegedly involves the conduct of any Director, Officer, employee or agent particularly when the nature of the allegations may effect the ability of the Director, Officer, employee or agent to hold office, ~~right to race and~~ or participate in horseracing

Formatted: No underline, Not Highlight

Formatted: Font: 12 pt

including allegations of nonfeasance and misfeasance related to the Association;
and

- (K) Perform the duties with respect to Association elections as specified in these Bylaws; and
- (L) Serve as custodian of all records of the Association, maintaining them or causing them to be maintained in good order and safe in accordance with the Associations' record retention policies and in accordance with any applicable law; and
- (M) ~~The Secretary-Treasurer~~Prepare and ~~any third party contractor engaged to prepare~~file financial statements ~~or the filing of same whereby the date and within the time required by any applicable law or regulations require completion by a specified date or time shall be completed and filed by the date and within the time required. With regard to the completion of financial statements, the Secretary-Treasurer shall~~regulation and report to the Chief Executive Officer, Executive Director and the Board each occasion where it appears that a deadline for completion or for filing could be missed and each occasion where such a deadline was missed; and
- (N) Perform such other duties as may be directed by the Chief Executive Officer and/or the Board of Directors.

Section 7: General Counsel

Formatted: Font: 12 pt

The General Counsel shall act as the legal representative of the Association. The General Counsel shall furnish such legal advice and services as said counsel may be requested from time to time by the Board and/or the Chief Executive Officer of the Association.

Section 8: Executive Director

Formatted: Font: 12 pt

The Executive Director's primary responsibility shall be the management of the administrative activities of the Association, all as specifically designated by the Chief Executive Officer of the Association.

Section 9: Certified Public Accountant/Auditor

Formatted: Font: 12 pt

The Certified Public Accountant/Auditor shall conduct the annual financial audit of the Association and such other audit and accounting services as may be necessary or desirable as determined by the Secretary-Treasurer, the Chief Executive Officer and the Board of Directors.

Section 10. Committees

Formatted: Font: 12 pt

There shall be standing committees as follows:

- (A) The Board shall choose not less than three (3) ~~of its members~~persons to serve as members of a ~~Finance and Audit~~ Finance Audit Committee. ~~The Finance Committee shall cooperate with and assist the Secretary-Treasurer to assure that all obligations of the Association are paid on or before their due date. The members of the Audit Committee shall possess substantial knowledge and experience in the field of financial statements and the interpretation of same and one or more members of the Audit Committee should be an accountant, preferably a Certified Public Accountant. The Finance Audit Committee shall supervise carry out its duties and assist the Secretary-Treasurer as provided for in these Bylaws and generally provide oversight of the financial affairs of the Association including the providing of its assistance in maintenance of acceptable or better quality and integrity of the Association's financial statements and disclosures, internal controls over its financial reporting process, performance of the internal and external audit function, and compliance with legal and regulatory requirements. The Audit Committee shall supervise the maintenance of proper financial records relating thereto by the Secretary-Treasurer; and, in addition to its duties stated above, to shall~~
- (a) generally approve payment of the Association's obligations; and
 - (b) assure the timeliness of same; and
 - (c) exercise general supervision and oversight of the Association's financial affairs and the financial records; and
 - (d) conduct research into the value of salaries, wages, other compensation and, utilizing said research, establish salaries, wages and other compensation that are compliant with the Fairness Compensation bylaw provisions made a part of these Bylaws and shall report to the Board any actions taken on same and on the establishment of salaries, wages and other compensation at the Board meeting following any such actions; and
 - (e) be provided with and examine all audits of the Association and any of its related entities and programs, examine same, report, in plain language, to the Board any noteworthy observations along with any suggested recommendations concerning the committee's observations; and
 - (f) report directly to the Board any findings and recommendations it may have of noteworthiness at each Board meeting and at any other time where prudence dictates a need for such communication; and

(g) on or before the end of each calendar year, examine the committee's role, procedures, duties and effectiveness and make any suggestions for changes that might improve the quality of the committee's work to the Board.

- (B) The Board shall sit as a Committee of the Whole to hear Charges and Protests. A Charge or Protest may be made by any Member. The Charge or Protest shall be in writing, signed by the protestants, sent to the Secretary-Treasurer of the Association at the Association's headquarters and must arrive at the Association's headquarters within a reasonable time after the discovery of the act(s) or omission(s) complained of and within any specific time limit as provided for in these Bylaws.
- (C) A Charge or Protest must state the full name and address of the protestants, accusers, and the accused and shall contain a statement setting forth the specific facts that constitute the basis for the Charge or Protest. The Members making the Charge or Protest must be prepared at a hearing to substantiate the Charge or Protest by competent evidence including sworn testimony.
- (D) The Board may investigate any Charge or Protest and present its evidence at its discretion.
- (E) With respect to any hearing by the Board concerning any Charge or Protest, the Board should appoint a hearing officer learned or experienced in the conduct of evidentiary hearings to preside as a hearing officer for the purpose of procedurally guiding the conduct of the hearing, maintaining order and maximizing the potential for a fair, just and productive hearing. A presiding or participating person may at any time disqualify himself or herself for cause. On the filing, in good faith, of a timely and sufficient affidavit of personal bias or other disqualification of a presiding or participating person, the Board shall determine the matter of disqualification as a part of the record. The Board may elect to have the hearing officer take and record the evidence and make proposed findings of fact, conclusions and decisions based upon that evidence for the Board's consideration in lieu of the Board being present for the presentation and recordation of the evidence. In such event of the Board electing to have the hearing officer take and record the evidence the Board shall make its decision based upon its review of the record. One, more or all Directors may participate in the hearing at their discretion notwithstanding the Board's election to have the hearing officer take and record the evidence. Any interested party may also submit proposed findings of fact, conclusions and decisions for the Board's consideration. The hearing officer shall be authorized to make, subject to the Board's approval, such procedural decisions as are normal and customary of presiding hearing officers in conducting hearings.

Formatted: Font: 12 pt

(F) The record for each hearing related to a Charge or Protest shall contain each finding and conclusion.

Formatted: Font: 12 pt

(G) Any Member against whom a Charge or Protest is filed shall be entitled to the foregoing hearing if the preliminary inquiry and resulting Board review does not result in a favorable result to the accused. All hearings shall be upon Reasonable Notice. Persons against whom a Charge or Protest is filed may attend the hearing, participate, call witnesses, introduce evidence and have legal representation.

(H) Any application for continuance by a Member against whom a Charge or Protest is filed or by any other interested party must be made in writing prior to a hearing, shall set forth the reasons for the continuance, and shall be filed with the Association's Secretary-Treasurer. ~~Notice~~ Notice of such application by mail or otherwise shall be given to all parties and/or their attorneys. An application for any such continuance of a hearing must be received by the Association's Secretary-Treasurer at the address of the Association's ~~Headquarters~~ headquarters at least five (5) days (120 hours) in advance of the time and date set for said hearing. Notwithstanding the foregoing, a continuance may be granted for good cause shown or upon consent of the parties or at the discretion of the Board.

Formatted: Font: 12 pt

(I) Upon written request of any party and at the requesting party's cost, the requesting party shall be furnished as soon as reasonably possible copies of any evidence to be offered, the names of witnesses and the substance of their testimony.

(J) No Member, Director, or Officer shall be suspended or expelled from office or from membership in the Association until a final decision is rendered in accordance with these Bylaws.

(K) The Chief Executive Officer may appoint an Advisory Committee. 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. The Advisory Committee shall meet at the call of its Chairperson and/or at the call of the Chief Executive Officer. It shall furnish to the Chief Executive Officer 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 designated by the Chief Executive Officer.

(L) The Chief Executive Officer may appoint a Backstretch Committee. It shall consist of three (3) members. The Committee shall act as liaison between those horsemen racing at the relevant track on matters of immediate concern to said

horsemen such as adverse training, racing and physical conditions affecting Horses and horsemen.

~~(M)~~ ~~(M)~~—The Chief Executive Officer shall establish and appoint, with the approval of the Board, such additional special committees as the needs of the Association may dictate.

~~(N)~~ Committees of the Association shall have and shall exercise only that authority over those matters that are, and only to the extent that they are, specifically and expressly stated in the mandate of authority provided to the committee by the Board ~~may create.~~

Formatted: Indent: Left: 0", Hanging: 0.25"

Formatted: Font: 12 pt, Not Bold

Formatted: Font: 12 pt

Section 11. General Membership Meetings

In addition to those general membership meetings called pursuant to petition as provided for above, there shall be at least one (1) General Membership Meeting of the Association in each calendar year, and such additional General Membership Meetings as the Chief Executive Officer or the Board may determine necessary or desirable for the welfare of the Association.

There shall be no quorum requirement for General Membership Meetings of the Association.

Section 12. Limitations on this Association

Formatted: Font: 12 pt

- (A) The Association may not obligate itself for legal or attorney's fees without the prior consent of the Board of Directors. Any retainer arrangements for continuing legal or attorney service shall require the prior approval of the Association's Board of Directors.
- (B) No litigation shall be instituted by or on behalf of the Association without prior approval of the Board of Directors.
- (C) 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 Board of Directors, whichever is shorter, except with the advice and consent of the Board.

ARTICLE VI.

Formatted: Font: 12 pt

INDEMNIFICATION

Section 1. Required Indemnification ~~of Officers and Directors~~

Formatted: Line spacing: 1.5 lines

The Association shall indemnify any Officer ~~or~~ Director, ~~or former Officer or Director~~,

~~employee or agent, against expenses actually and reasonably incurred by such person in connection with the defense of any action, suit or proceeding, civil or criminal, in which the Officers, Directors or former Directors such person is made a party by reason of being or having been such Officer or Director, except with regard to matters adjudged in such an Officer, Director, employee or agent of the Association and in which such person has been successful on the merits or otherwise in defense of the~~ action, suit or proceeding ~~to be willful, unlawful acts.~~

Formatted: Not Highlight

Section 2. Discretionary Indemnification of Employees and Agents

Formatted: Line spacing: 1.5 lines

A. Actions by Third Parties

The Association shall also have the right, ~~with the express approval of the Board of Directors,~~ to indemnify any ~~Officer, Director,~~ employee or agent, ~~or former employee or agent~~ against ~~such any judgments, fines, amounts paid in settlement and/or~~ expenses actually and reasonably incurred by ~~him or her~~ such person in connection with the defense of any action, suit or proceeding, civil or criminal, in which ~~he or she~~ such person is made a party ~~or is threatened to be made a party~~ by reason of being or having been ~~such employee or agent, except with regard to matters adjudged in such action, suit or proceeding~~ an Officer, Director, employee or agent of the Association, upon a determination that such person acted in good faith and in a manner the person reasonably believed to be ~~willful,~~ in or not opposed to the best interests of the Association, or, with respect to any criminal action or proceeding, that such person had no reasonable cause to believe the questioned conduct was ~~unlawful acts.~~, which determinations shall be made by either: (1) the Board of Directors by a majority vote of a quorum of directors who are not parties to the action, suit or proceeding, or (2) independent legal counsel.

Formatted: Left, Indent: Left: 0.54", First line: 0"

Formatted: Not Highlight

Formatted: Not Highlight

Formatted: Not Highlight

Section 3. Expenses for which Indemnification Provided

~~Indemnification may be against judgments, 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 or she has given written notice thereof to the General Counsel of the Association promptly after he or she received notice of the claim giving rise to the action, suit or proceeding.~~

B. Actions by or in the Right of the Association

~~Notwithstanding anything to the contrary in this Article, with regard to any action brought by or in the right of the Association against any Officers, Directors, employees or agents made the subject of such action~~

- i. indemnity shall be limited to expenses (including attorneys' fees, and amounts paid in settlement to third parties not exceeding, in the judgment of the Board of Directors, the estimated expense of litigating the action to conclusion) actually and reasonably incurred in connection with the defense or settlement of such action;
- ii. and no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of that person's duty to the Association;
- iii. with the only exception being that, to the extent the court determines upon application that, despite the adjudication of liability of the person, in view of all the circumstances of the case, that person is nonetheless fairly and reasonably entitled to indemnity for such expenses which expenses the court shall deem proper.

Section 3. Expenses for which Indemnification Provided

Indemnification may be against judgments, 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 said person has given written notice thereof to the General Counsel of the Association promptly after the person received notice of the claim giving rise to the action, suit or proceeding.

Section 4. –Further as to Discretionary Indemnification

Notwithstanding any apparent or actual conflict with these Bylaws and in addition to these Bylaws, the following provisions shall apply in addition to the foregoing provisions of this Article.

The indemnity of Officers, Directors, employees or agents of the Association for expenses actually and reasonably incurred in connection with the ~~defense of~~ actions, civil or criminal, may be made when any Officer, Director, employee or agent of the Association, by reason of his or her position with the Association, is a party or is a witness by mandatory order of the government, in a civil or criminal proceeding; ~~and,~~

Officers, Directors, employees and agents may be reimbursed expenses as they are incurred, before or after adjudication, upon: (1) proper proof of them being made to the Secretary-Treasurer ~~and upon,~~ (2) the express approval of the Board of Directors;

~~Notwithstanding any provision, and (3) receipt of an undertaking by or on behalf of these~~

Formatted: Left, None, Space After: 12 pt,
Line spacing: 1.5 lines, Widow/Orphan control,
Tab stops: Not at 0" + 0.5" + 1" + 1.5" +
2" + 2.5" + 3" + 3.5" + 4" + 4.5" + 5" +
5.5" + 6" + 6.5"

Formatted: Font: 12 pt

~~Bylaws to the contrary, the Officers, Directors, employees or agents shall be, upon an express decision of the Board to seek reimbursement of any Officer, Director, employee or all of agent to repay such expenses, liable to reimburse amounts unless it is ultimately determined that said person is entitled to be indemnified by the Association the amount of any or all such expenses so reimbursed in the event said recipient, in a relevant subsequent judicial proceeding, is adjudged guilty as charged in a criminal court or guilty of relevant willful civil misconduct in a civil court.~~

ARTICLE VII.

EFFECTIVE DATE

Section 1. Force and Effect; Term

Unless and until amended or repealed as provided for, the Bylaws of the Association shall be in full force and effect on and after the date of adoption by a two-thirds (2/3) majority vote of the Board.

Formatted: Font: 12 pt

Formatted: Left, Right: 0", Space After: 12 pt, Widow/Orphan control, Tab stops: Not at 0" + 0.5" + 1" + 1.5" + 2" + 2.5" + 3" + 3.5" + 4" + 4.5" + 5" + 5.5" + 6" + 7"

Formatted: Font: 12 pt

Formatted: Font: 12 pt

Formatted: Font: 12 pt
