

BYLAWS

Mountaineer Park Horsemen's Benevolent and Protective Association Inc.

ARTICLE I

NAME, DEFINITIONS, PURPOSES

SECTION 1: NAME

This Association shall be known as the MOUNTAINEER PARK HORSEMEN'S BENEVOLENT AND PROTECTIVE ASSOCIATION, INC., a non-profit corporation organized under the laws of the State of West Virginia.

SECTION 2: DEFINITIONS.

A. The Mountaineer Park Horseman's Benevolent and Protective Association, Inc. (hereafter "MPHBPA" or "Association") is the association that is the subject matter of these By Laws.

B. Board of Directors, Board, and Directors shall mean the elected representatives of the Mountaineer Park Horseman's Benevolent and Protective Association, Inc.

C. Horse shall mean a thoroughbred race horse two (2) years of age or older (under the rules of racing) which is not retired from racing and is not retired to breeding, either as a brood mare or stallion.

D. Racing Association means any individual, partnership, firm, association, corporation or other entity or organization of whatever character or description licensed by the Racing Commission to conduct horse racing and pari-mutual wagering.

E. Commission shall mean the West Virginia Racing Commission.

F. Any and all other terms that are not defined in these Bylaws, which term is defined in the West Virginia Code of State Rules Title 178 Series 1, shall mean the definition of said term as set forth in the relevant portion of the West Virginia Code of State Rules.

G. In these Bylaws, where applicable, the singular shall be deemed to include the plural and the masculine shall be deemed to include the feminine, and vice versa, as the context may require.

SECTION 3: PURPOSES

The non-profit corporation is formed for the following purposes:

- A. To promote the common business interests of its members and improve conditions in the thoroughbred industry of West Virginia within the meaning of Section 501 (c)(6) of the Internal Revenue Code or the corresponding section of any future tax code.
- B. To engage in any lawful activities which are in furtherance of the purposes of the non-profit corporation, including, but not limited to:
 - a. To promote federal and state legislation, rules and regulations, and uniform racing policies beneficial to the common interests of horsemen at Mountaineer Park.
 - b. To negotiate with the racetrack on a collective basis on issues affecting the common interest of horsemen including, but not limited to schedules, stakes programs, safety issues, track conditions, stable area, working conditions, and any other issue that the Board deems appropriate.
 - c. To represent the interests of its members before any local, state or federal administrative, legislative or judicial hearing including but not limited to the West Virginia Racing Commission with regard to all matters affecting or related to the horse racing industry.
 - d. To inform and educate its members, horsemen generally, the horse racing industry and the public with regard to all aspects of the industry in the state of West Virginia.

ARTICLE II

GOVERNMENT OF THE ASSOCIATION

SECTION 1: ORGANIZATION

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

SECTION 2: BYLAWS

These Bylaws shall govern the MPHBP.

Except as otherwise provided herein, all proceedings of the MPHBP shall be conducted in accordance with Robert's Rules of Order, newly revised, as applied to the rules and regulations set forth in these Bylaws.

SECTION 3: POWERS - THE BOARD

A. The Board shall be vested with and shall exercise all the powers of the Association and upon it is conferred the management, direction and control of the Association, except as otherwise provided herein;

B. After a duly held hearing in accordance with these Bylaws the Board shall have the power to censure, suspend or expel any or all of the Officers, Directors, members or employees of the Association for: a) violation of any provision of these Bylaws; b) acts, omissions, or conduct inconsistent with the goals or positions of the Association; or c) failure to remain in good standing in accordance with the rules of racing in effect where the member races..

C. The Board shall designate the principal location of the Association's Headquarters and such other offices at locations as the Board shall designate;

D. The President may appoint and employ, pursuant to Article V, Section 4. The president shall determine the method of appointment, length of employment of and shall supervise the employment and the conduct of the Executive Director of this Association

and such other employees of this Association as he deems necessary with approval of the board.

SECTION 4: AMENDMENTS

An Amendment to these Bylaws may be proposed by not less than a two-thirds (2/3) vote of the elected members of the Board or by a signed petition of not less than two-thirds (2/3) of the voting members of the Association, which petition is filed with the Executive Director and which sets forth the substance and/or sense of the proposed Amendment.

All proposed Amendments to these bylaws shall be retained by the Executive Director and shall not be sent out for vote and approved until the proposed amendment has been discussed, approved and drafted by the Board of Directors.

Upon the proposal of an amendment to these Bylaws, the Executive Director shall mail a notice to each voting member of the association which notice sets forth that, 1) a proposed amendment to these bylaws has been made; 2) that the proposed amendments can be reviewed on the MHBPA website, or at the MHBPA office; and, 3) the date of the meeting when a vote to approve the amendment will take place. The proposed amendment will be available at the MHBPA office for review and comment for at least fourteen (14) days prior to the meeting set for the vote to approve the amendment. All comments on the proposed amendment must be submitted in writing to the Executive Director and all comments will be provided to the Board of Directors before the meeting to approve the amendment.

All amendments to the bylaws must be approved by the Board of Directors by not less than two-thirds (2/3) of the votes cast by the Board of Directors at the Board meeting to approve the amendments. All changes to the Bylaws will be noted and dated.

SECTION 5: OBLIGATIONS OF THE ASSOCIATION

All notes, checks and other negotiable instruments of the Association shall be signed by the President or Vice President.

SECTION 6: NO DISCRIMINATION.

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

SECTION 7. USE OF THE ASSOCIATION NAME

No one, whether a member of the Association or otherwise, shall be permitted to use the name of the Association or represent that he/she is the representative of the Association or speaks on behalf of the Association without the express permission of the Board. A publication shall only use the name of the Association if it is reviewed and approved by the Board.

SECTION 8: OFFICIAL PUBLICATION

The MPHBPAA may designate the *Horsemen's Journal* as the official publication of the Association. If the *Horsemen's Journal* ceases to be in circulation or becomes cost prohibitive as determined by the Board, another publication may be chosen. Each member has the responsibility for furnishing his correct permanent mailing address to the Executive Director in order that he may receive the official publication of the Association.

SECTION 9: COMPENSATION OF OFFICERS PROHIBITED; SUBSISTENCE AND TRAVEL REIMBURSEMENT.

No Officer or Director of the Association, other than the Executive Director or other employee, shall receive anything of value, directly or indirectly, for serving in his official capacity with the Association.

Any Officer, Director, or employee of the Association may be reimbursed for subsistence and travel expense while in travel status on official business of the Association and/or the National Association.

Any and all requests for reimbursement must be approved by the Board of Directors. Any Board member requesting reimbursement shall recuse himself/herself from the portion of the Board meeting where reimbursement is being considered, and shall not be entitled to vote on his/her own request for reimbursement.

SECTION 10: CONTRACT NEGOTIATIONS.

The MPHBPAA shall represent horsemen and may bargain collectively with the Racing Association in an attempt to reach agreements with respect to purses and other conditions affecting racing. If, however, an impasse is reached and the MPHBPAA is unable to arrive at an agreement with the Racing Association concerning purses or other conditions of racing, then the sole additional functions of the MPHBPAA shall be limited to reporting to the horsemen the status of negotiations and the sampling or otherwise obtaining the sentiment of the horsemen with respect to a future course of action.

Neither the MPHBPAA nor any Officer or Director thereof shall, on behalf of the MPHBPAA, participate in any withholding of racing entries, provided, however that nothing herein shall be deemed to limit or control the conduct of any horsemen, including Officers and Directors of this MPHBPAA, from individually entering or not entering a horse at his discretion in any race meeting.

It shall be the declared policy of the MPHBPAA that the MPHBPAA shall under no circumstances participate with or act jointly with any other organization or association relating to Thoroughbred race horses with respect to (i) purse negotiations or (ii) any matter that could ultimately result in the withholding of racing entries.

SECTION 11: CONTRACTS.

No contracts shall be made with a Racing Association for a term exceeding three (3) years.

Any contract that has been executed by a Racing Association and the MPHBPAA shall be in writing and shall be signed by both parties thereto. This contract shall be reviewed by legal counsel. It shall be made available to members of the MPHBPAA after final approval, upon the request of any member.

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

ARTICLE III

MEMBERSHIP

SECTION 1: ELIGIBILITY

Any owner, owner-trainer, or trainer of a Thoroughbred race horse who is currently licensed as such by the West Virginia Racing Commission shall be eligible for membership in the MPHBP. Any partnership, corporation or other association which is so licensed shall likewise be eligible for membership. Provided, however, that any person or entity who, directly or indirectly, owns the aggregate of less than one total Thoroughbred race horse, shall not be eligible for membership regardless of licensing.

SECTION 2: MEMBERSHIP

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

SECTION 3: DUTIES OF MEMBERSHIP

A. It shall be the duty of every member of the MPHBP 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 Mountaineer Horsemen's Benevolent and Protective Association, Inc.

B. Every member of the MPHBP, by accepting the benefits of membership, agrees to abide by the Bylaws of the MPHBP, any order or decision of the Board of Directors, and to accept as final any decision made by the Board of Directors after a hearing. Members agree to hold the MPHBP, its Officers, Directors and employees harmless for any action taken or not taken.

C. Contributions. Where not otherwise specified by law, contract or other arrangement, each member shall contribute to the MPHBP not less than 2% of the total purses paid. Where a contract, law or other arrangement exists between the Association for a different deduction, all horsemen racing at the racetrack of that Racing

Association shall be subject to such deduction from any such purse, in lieu of the above described deduction, as provided for in §19-23-9 of the West Virginia Code.

SECTION 4: TENURE OF MEMBERSHIP

A. A member of the MPHBPAA shall remain an active member as long as the member remains qualified pursuant to the terms and conditions of these Bylaws, unless the member resigns, is suspended or is expelled by the MPHBPAA pursuant to the procedure set forth herein.

B. Resignation. A member may resign from the Association by (1) written resignation; or (2) by failing or refusing to allow contributions to be deducted from purses either by direction to that effect or by knowingly accepting a check from the horsemen's bookkeeper from which no such deduction pursuant to the provisions of Article III, Section 4 (c) has been made and not having corrected the deficiency promptly upon demand.

C. Suspension or Expulsion. A member of the MPHBPAA may be suspended or expelled from membership by a two-thirds (2/3rds) vote of the elected members of the Board of Directors, following a hearing determining that the member has: a) violated any provision of these Bylaws; b) engaged in acts, omissions, or conduct inconsistent with the goals or positions of the Association; or c) failing to remain in good standing in accordance with the rules of racing in effect where the member races. A member shall be given reasonable notice of the hearing and shall have the right to be heard in person or by counsel and to introduce evidence on his/her behalf.

"Reasonable notice" for the purposes of this Section, and for the purposes of these Bylaws shall mean a ten (10) days' notice which shall be sent by certified mail to the member at the address shown on the roster of the Association, and which ten-day period for notice, whether received or not, shall commence to run on the day following the date of mailing of the notice as evidenced by the postmark thereon.

ARTICLE IV

ELECTIONS AND VOTING

SECTION 1: SUPERVISION OF ELECTIONS

All association elections shall be conducted under the exclusive supervision and control of the Board. An election/nominating committee (the committee) of three (3) members, shall be appointed by the President of the Association with the advice and consent of the Association's Board not less than sixty (60) days prior to the nominating meeting. No member of the election/nominating committee shall be a candidate in the ensuing election. The three members appointed to the committee shall be responsible for seeing that the election is run in accordance with these Bylaws.

The committee will recommend to the Board a duly qualified independent third-party administrator to be hired by the Board in order to administer an ethical election pursuant to the terms and conditions of these Bylaws.

The opening and counting of the ballots shall be conducted by the independent third party administrator appointed by the Board. The independent third party election administrator, cannot be running for office in the current election, cannot be employed or related to any person running for office in the current election, and cannot have any other relationship that would reasonably affect his credibility as the election administrator. No other person shall be present when the ballots are counted, other than the independent third party election administrator and his employees or assistants.

SECTION 2: ELECTIONS

An election shall be held every three (3) years to elect a President and Board of Directors, who shall hold office during their term and until their successors are elected.

Elections shall be held not less than thirty (30) days before the scheduled close of racing initially approved by the Racing Commission conducted in the jurisdiction of the MPHBP.

The committee shall conduct at least one general nominating meeting for elections at Mountaineer Park. There must be at least thirty (20) members of the MPHBP present at said meeting to constitute a quorum. Those members must sign a receipt that established their presence. Nominations by the committee shall not require seconds. A nomination from the floor will be accepted if it receives the endorsement of

not less than three (3) members present at the meeting, which shall include the nominator and two (2) seconds, or is accompanied by a petition signed by no fewer than twenty (20) members of the Association.

Written notice of the general nominating meeting must be given to the membership of the MPHBPBPA by written notification by the newsletters, flyers, the HBPA website and electronic communications of which shall inform each member of his or her right to nominate one more candidates for office in the MPHBPBPA, the methods of doing so, the date, time and place of the general nominating meeting and all other information necessary to fully inform each member about the MPHBPBPA's elective process.

All nominees must be members of the MPHBPBPA. When more than one general nominating meeting is held, the date of the last general nominating meeting shall be deemed the date of each candidate's nomination. The committee shall neither make nor accept any nomination after adjournment of the last general nominating meeting, except that for a period of fifteen (15) days thereafter, additional candidates may be nominated by petition duly signed by at least fifteen (15) members in good standing, provided that said petition is filed with the Executive Director during said fifteen (15) day period and is accompanied by the candidates' affidavit and policy statement, if any.

The Board shall have the power to disqualify any member from running for office upon a 2/3 vote of the Board determining that the member has: a) violated any provision of these Bylaws; b) engaged in acts, omissions, or conduct inconsistent with the goals or positions of the Association; or c) failed to remain in good standing in accordance with the rules of racing in effect where the member races. A person so disqualified shall be immediately notified in writing of his/her disqualification. Such person shall be entitled to a hearing before the Board within ten (10) days of the disqualification to contest the disqualification where he/she shall have the right to be heard in person or by counsel and to introduce evidence on his/her behalf.

SECTION 3: CANDIDATES AND ELECTIONEERING

The committee shall ensure that each candidate is notified of his/her nomination by hand delivery, overnight courier or certified mail as soon after the nominating meeting as possible

Within fifteen (15) days of the mailing date of each candidates' notice of his/her nomination for office said candidate shall complete and mail to the Association Office an Affidavit furnished by the MPHBPBPA that informs the candidate of the following:

(A) The candidate fulfills the requirements for eligibility for office as provided in these Bylaws, or will fulfill the requirements for eligibility for office as provided in these Bylaws. The Board may, however, in its sole and absolute discretion, by not less than a 2/3 two-thirds affirmative vote of the Board, waive the candidate eligibility criteria set forth in these By-laws, and may do so on a case-by-case basis

(B) The candidate has read the requirements of these Bylaws respecting elections and eligibility, agrees to be bound by them, and any decision of the Board in regard thereto.

(C) The candidate will run for office, serve if elected and remain eligible for any office to which he/she is elected. A candidate for office may also mail to the MPHBPBA Office with his affidavit a biographical and policy statement of reasonable length. The statement shall be issued as the candidate's official statement by the MPHBPBA.

A protest to a candidate or an election must be in writing and sent by certified mail to the MPHBPBA Office. Only a person who has standing as a candidate may file a protest to an election. No protest may be postmarked later than the expiration of seven (7) days following the election.

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

An elected candidate shall take office seven (7) calendar days after his/her election. The lodging of a protest to an election, a candidate or eligibility of an officer or director, shall not affect the status of an elected Officer of Director until a decision has been made at a hearing held in accordance with these Bylaws.

SECTION 4: MANNER OF VOTING

A. Voting shall be by secret ballot. The Board will hire an independent third party administrator to oversee balloting and to deliver, receive, and count ballots pursuant to the terms and conditions of the contract between the Board and the third party administrator.

B. The general election of the MPHBPBA shall be held not less than thirty (30) and not more than forty-five (45) days before the close of the racing meet, as defined by the West Virginia Rules of Racing. Each owner and trainer member of the

MPHBPA shall be entitled to cast one (1) vote in each general election of the MPHBPA.

C. To be entitled to vote, each member eligible to vote must have a current license issued by the West Virginia Racing Commission as an owner or trainer of Horses. The Executive Director shall ensure that the third-party administrator shall send to each member by United States Mail, addressed to the last known address of each member not less than thirty (30) days nor more than forty-five (45) days prior to each election, in an envelope bearing the return address of the third party administrator containing the following:

- i. A ballot.
- ii. An envelope which shall have a space in the upper left-hand corner for the signature and the typed or printed name of the member and which shall have the word "Ballot" appearing on its face.
- iii. The approved biographical and policy statement of each candidate.
- iv. A return envelope addressed to the third party administrator. Each such return envelope shall be returned by the addressee to the third party administrator by United States Mail; postage paid, or, shall be marked to indicate that postage will be paid by the addressee.
- v. Any other materials deemed appropriate by the third party administrator

In lieu of the foregoing, and at the discretion of the third party administrator, online voting may be utilized,

D. A member shall vote by marking his/her ballot, enclosing and sealing it in the envelope referred to in Section 4(C)(ii) immediately above, printing and signing his/her name in the upper left-hand corner of the envelope and mailing the envelope, together with its contents in the return envelope provided pursuant to Section 4(C)(iv) immediately above. No envelope may contain more than one ballot.

E. The Executive Director or other MPHBPA representative may direct the third party administrator mail the same material referred to in Section 4(C)(i) - (iv) to any member who requests the same and confirms that he or she has not received it by mail.

F. All Ballots must be postmarked on or before the close of business on the date set forth and identified on the voting materials. All Ballots shall be mailed to a post office box established by the third-party administrator. All ballots that are received by the third party administrator prior to the close of business on the day named for the election shall have the date and time of receipt noted.

The Board of Directors shall have the power to authorize an election for the MPHBA that varies from the provisions of these Bylaws upon written request of not less than two-thirds (2/3rds) of its members and then only for proper cause. Any MPHBA election that fails to follow the procedure authorized in these Bylaws shall be subject to protest. The Board of Directors shall determine the validity of the protest and may decree the prompt holding of a new election in whole or in part.

SECTION 5: CONFLICT OF INTEREST

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

For the purposes of this section, "management position" shall mean a person occupying a salaried position of a Racing Association, Racing Commission, rival racing or other organization with the power to manage or employ other persons, create policies or procedures of the entity, and/or otherwise direct or control the operations of the entity.

SECTION 6: ELECTION OF THE BOARD OF DIRECTORS

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

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

A. Has been a member in good standing of the MPHBPAs as defined in Article III for at least fifty percent (50%) of the racing season during the two (2) years immediately preceding the date of his nomination.

B. Is a member as defined in paragraph (A), on the date of his nomination, and remains eligible as such, at all times thereafter.

C. Has started one or more horses at a minimum of five (5) times per year while a member in the Association in the two (2) years immediately preceding the date of his nomination.

No person shall be eligible to run or be put on the ballot as an owner-only candidate unless he has raced at Mountaineer Park Race Track as an owner-only for at least fifty (50%) percent of the racing season established by the MPHBPAs during the two (2) years immediately preceding the date of his nomination.

No person shall be eligible to run or be put on the ballot as a trainer or owner-trainer candidate unless he has raced at Mountaineer Park Race Track as a trainer or owner-trainer for at least fifty (50%) percent of the racing season established by the MPHBPAs during the two (2) years immediately preceding the date of his nomination.

The term "two years" shall mean the 730 days immediately preceding the date of nomination of a candidate. The term Racing Season shall mean the number of days of racing (excluding overlapping days) in the MPHBPAs in a calendar year.

Vacancies on the Board other than President shall be filled by the Board of Directors at the next regular scheduled meeting of the Board. In the case of an owner-only vacancy on the Board, either an owner or an owner/trainer may fill the vacancy for the unexpired term of the Board member.

SECTION 7: ELECTION OF THE PRESIDENT

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

A. He has been a member in good standing in the MPHBPAs as defined in Article III for at least fifty (50%) percent of the racing season as established by the MPHBPAs during each of three (3) years immediately preceding the date of his nomination.

B. He has been licensed and owned horses as a owner-trainer for at least fifty percent (50%) of the racing season as established by the MPHBPAs in each of the three (3) years immediately preceding the date of his nomination.

C. He has started one or more horses a minimum of five (5) times while a member in the MPHBPAs in each of the three (3) years immediately preceding the date of his nomination.

D. He meets the above qualifications on the date of his nomination.

E. He/she is seeking no other office in the election in which he/she is running for President.

The term "three years" means the 1,095 days immediately preceding the date of nomination of a candidate. The term "Racing Season" means the number of days or racing (excluding overlapping days) in the MPHBPAs in a calendar year

SECTION 8: ELECTION OF OFFICERS

The Board of Directors may elect a Vice-President and Secretary from among its owners or owner-trainers. In case of the resignation, inability to serve because of illness or otherwise, or death of the President, the Vice-President automatically becomes President for the unexpired term. All candidates for Vice-President must fulfill the requirements for eligibility to be elected and serve as President.

ARTICLE V

ASSOCIATION OFFICERS, DIRECTORS AND EMPLOYEES

SECTION 1: BOARD OF DIRECTORS

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

If any member of the Board resigns, is unable to serve because of illness or otherwise, dies, or is absent at least three (3) consecutive Board meetings without each such absence having been excused by a majority vote of the elected membership of the Board after any absence, his position on the Board shall be declared vacant. At all times during their term on the Board of Directors, each Director must maintain the eligibility requirements set forth in these Bylaws. A vacancy on the Board, regardless of how it occurs shall be filled by the Board of Directors at the next regularly scheduled meeting of the Board.

A. Quorum. Six (6) members of the Board shall constitute a quorum for the conduct of business, but a lesser number may adjourn a meeting from time to time pending attendance of a quorum. The President shall be entitled to make motions, second motions and vote as a member of the Board. Proxies shall not be permitted or accepted. In the event of a tie, the motion fails.

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

1. It shall be the duty of the Board to sit as a hearing committee in connection with the following matters:

- a. All election disputes involving the MPHBPBPA;
- b. Alleged violations of these Bylaws;
- c. As it affects membership in the Association, failure to remain in good standing in accordance with the rules of racing in effect in the jurisdiction where the member races after three violations in a year.

The decisions of the Board with respect to sub-paragraphs a, b, and c shall be final, unless appealed as hereinafter provided.

2. (a) A charge or protest may be made to the Board by any member against any member for violation of any provision of the Bylaws. It shall be in writing, signed by the protestor, and addressed to the Association. It must be received within ten (10) days after the discovery of the act complained of.

(b) A protest or charge must state the full name and address of the person making the charge and the accused. The document shall contain a complete and definite statement of the facts that constitute the alleged violation. The person making the charge must be prepared to substantiate the charges by sworn testimony and other competent evidence produced at a hearing.

3. The MPHBPAA may investigate any protest, charge or alleged violation, and present evidence concerning any protest, charge or alleged violation at its discretion.

4. (a) With respect to any protest or charge, any of the following shall preside on any pre-hearing matters and/or at the taking of evidence: (i) the Board; (ii) one or more members of the Committee appointed by the President with the advice and consent of the Board; (iii) a Hearing Officer appointed by the President with the advice and consent of the Board. The functions of any presiding person or persons participating in any decision shall be conducted in an impartial manner. A presiding or participating person may at any time disqualify himself. 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 matters, as a part of the record and decision in the case.

(b) Subject to the Bylaws, persons presiding on pre-hearing motions and at hearings shall give all parties a fair hearing and act as authorized herein.

(c) When the Board has not presided at the reception of the evidence, the presiding or participating person shall initially decide the case unless the Board in its discretion and before a decision has been made, requires the entire record to be certified to it for a hearing and decision. When the presiding or participating person, other than the Board, makes an initial decision, that decision shall become the decision of the MPHBPAA without further proceedings unless there is written appeal to the Board or review or written motion of the MPHBPAA within fifteen (15) days from the date of the initial decision. On appeal from the initial decision, the Board shall not review the findings and recommendations, but will determine only whether the Bylaws were properly interpreted and applied. The Board in its sole discretion and on its own motion may, if it deems proper, review the entire record of an initial hearing on any issue or finding and recommendation contained therein or hold a new hearing as well as determine whether the Constitution and Bylaws were properly

interpreted and applied. A decision to hold a new hearing must be made by a two-thirds (2/3) vote of the Board of Directors.

(d) When the Board elects to render a decision without having presided at the reception of the evidence, the person who presided at the hearing shall first recommend a decision to the Board, which shall be in writing and includes Findings of Fact and Conclusions of Law.

(e) The record shall show each finding and recommendation. All findings, recommendations, and decisions, whether initial or final, shall be a part of the record.

(f) Any member against whom a protest or charge is filed shall be entitled to a hearing. Such hearing shall be held after fifteen (15) days' notice to the member, which notice shall be by certified mail; provided, however, that the fifteen (15) - day period for notice shall commence to run on the day following the date of mailing said notice. Notice of hearings shall contain a brief statement of the facts constituting and underlying the alleged violation, whether made by protest or charge, and shall specify the time and place of the hearing. Accused persons may attend the hearing at their option and may bring witnesses or other relevant evidence on their behalf.

(g) Any application for continuance made prior to a hearing shall be in writing, shall set forth the reasons therefore, and shall be filed with the Executive Director or Hearing Officer appointed to hear the matter along with a copy to all interested parties. An application for continuance of any hearing must be received by the MPHBPAs Executive Director or by the Hearing Officer at the address of the Association at least five (5) days (120 hours) prior to the time set for said hearing.

(h) Upon written request of a protestant, an accused or an accuser, any one or all of them shall be furnished, before hearing, any evidence to be offered, together with, the names of witnesses and the substance of their testimony.

(i) No member, Director, or Officer shall be suspended from his office or from membership in the MPHBPAs until a final decision is rendered, after hearing, in accordance with this Section.

(j) The Board of Directors may authorize the Executive Director of the MPHBPAs to purchase Officers and Directors liability insurance at the expense of the MPHBPAs.

C. LIASON WITH MEMBERSHIP

The Board of Director's may, by means of the Horsemen's Journal, a newsletter prepared and issued by the MPHBPAA at the direction of the Executive Director, the official website of the MPHBPAA or a general membership meeting maintain close liaison with the membership of the Association and shall keep the membership fully informed concerning all Association business, its own deliberations, and all other matters of interest to horsemen.

D. AUDIT

The Board of Directors shall cause an audit to be made of the books of the MPHBPAA at the end of each of the calendar years on December 31, in the manner directed by the Treasurer and Executive Director. Such audit shall be properly certified by a certified public accountant that shall be approved in advance of his employment by the Board of Directors.

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

SECTION 2: THE PRESIDENT

The President shall be a voting member of, and the principal executive officer of the MPHBPAA. The President shall:

A. Call and preside at all meetings of the MPHBPAA and of the Board of Directors and shall determine the agenda for each such meeting.

B. Sign all checks drawn by the Executive Director for the payment of bills approved by the Finance Committee.

C. Report to the Board any irregularities or derelictions on the part of the Executive Director or any member of the Board, or any other officer.

D. With the advice and consent of the board, appoint members of all standing and special committees, except as otherwise provided herein.

E. Shall be an ex officio member of all standing, special, and other committees of the Board.

F. Notify the Board of Directors forthwith of any charges brought or anticipated to be brought against any Officer or Director that may involve such Officer's or Director's right to race, or for the violation of these Bylaws.

G. Call at least one (1) general meeting and at least four (4) Board meetings each year, as set forth in Article V, Section I(B), and such additional meetings as the welfare of the MPHBPAA may require. He shall, upon written petition or via electronic communications of at least three (3) members of the Board, call a meeting of the Board within then (10) days if a race meeting is in progress and within thirty (30) if no race meeting is in progress. He shall, upon written petition through the monthly newsletter, or electronic communication of fifty (50) or more members of the Association, call a general meeting of the Association within fourteen (14) days if a race meeting is in progress and within thirty (30) days if no race meeting is in progress. A petition for a general meeting must state the primary purposes or issues for which the meeting is called. The meeting must be at the office of the MPHBPAA. This requirement shall not prevent the consideration of other issues at the meeting. Decisions, recommendations and resolutions passed at general meetings shall be advisory only.

H. Cooperate with the Board in maintaining liaison with the membership and keeping it informed.

SECTION 3: THE VICE PRESIDENT

A Vice-President shall fulfill, in the order of designation if there is more than one Vice-President, the duties of the President in the event of his temporary absence. In the event of the resignation, expulsion, death, permanent disability or disqualification of the President, a Vice- President, in the order of designation, shall succeed to the office of President of the MPHBPAA.

SECTION 4: EMPLOYEES

The Executive Director and all other employees of the Association shall be appointed by the President with the advice and consent of the Board of Directors. The Executive Director shall take office on the ninety-first (91st) day after an election of a President for a full term and remain in office for ninety (90) days following a new election of a President for a full term. The Executive Director and all other association employees may be dismissed by the President for failure to perform his/her duties The Executive Director shall not be a member of the Board nor have a vote thereon.

Other than the Executive Director all employees of the MPHBPBA shall be deemed employees at will.

The policy of severance pay for the Executive Director and office manager is: one week's salary per year of service with a maximum severance pay of three (3) months paid over a period of normal pay periods. Under no circumstances will severance pay be paid if the Executive Director or office manager resigns or commits a fraudulent act. Severance pay will be paid only to the office manager and the Executive Director. No other employee of the MPHBPBA shall be eligible for severance pay. The denial of severance pay based on a fraudulent act is contingent upon the Board's finding at a hearing that the person denied severance pay has committed a fraudulent act.

The Executive Director shall:

- A. Attend all meetings of the MPHBPBA and of the Board and, at the direction of the President, prepare the agenda for all such meetings and keep minutes thereon;
- B. Keep a record of all track and race statistics in the Association;
- C. Collect and deposit all monies in the name of the MPHBPBA only in a bank or banks and other similar financial institution, the deposits of which, all or in part, are guaranteed by the U.S. Government, The Executive Director shall not sign any signature cards for any bank account, or deposit in any financial institution, or sign any note, negotiable instrument or obligation of the MPHBPBA except as specifically allowed by these Bylaws;
- D. Draw checks (which also require the signature of the President and Vice President or as directed in Section 7B) for the payment of all bills that have been approved by the Finance Committee; In addition, the Executive Director may draw checks not to exceed \$500 for signature without prior approval of the Finance Committee if required.
- E. Require banks designated as depositories for MPHBPBA funds to send or provide on-line canceled checks and bank statements monthly, which the Executive Director shall keep on file for a period of not less than five (5) years.
- F. Keep and maintain on a current basis such books and accounts as may be necessary to record all financial transactions of the MPHBPBA and to correctly show the financial condition of the MPHBPBA;

G. Provide to the Board of Directors a monthly statement showing income and disbursements, monies on hand and other financial activities of the Association;

H. Render all possible assistance and service to the President, the Board, and members of the MPHBPBPA;

I. Make available to members a copy of any executed contract and/or purchase agreement within five (5) business days of the date of said request;

J. Notify the Board of Directors forthwith on any charges brought or anticipated to be brought against any Officer or Director of the MPHBPBPA that may involve such Officers or Directors right to race, or allegations of nonfeasance and misfeasance under these Bylaws.

K. Perform duties with respect to MPHBPBPA elections as specified in these Bylaws, and

L. Perform such other duties as may be directed by the President and the Board of Directors.

SECTION 5: SECRETARY

The Secretary shall attend all meetings of the Board of Directors and all meetings of the members and prepare minutes of the meetings and record all the proceedings of the meetings of the MPHBPBPA and of the Board of Directors in a book to be kept for that purpose, and shall perform like duties for the standing committee when required. The Secretary shall give or cause to be given, notice of all meetings of the members and special meetings of the Board of Directors, and shall perform such other duties as may be proscribed by the Board of Directors, and shall perform such other duties as may be proscribed by the Board of Directors or President, under whose supervision the Secretary shall be.

The Executive Director shall assist the Secretary in keeping the minutes of the MPHBPBPA and any and all other duties traditionally performed by the Secretary.

SECTION 6: COMMITTEES

There shall be standing committees as follows:

A. The Board of Directors shall choose three (3) of its members to serve as members of a Finance Committee. Before payment, the Finance Committee shall

approve all bills of the MPHBP. It shall cooperate with and assist the Executive Director to assure that all bills can be paid on or before their due date. It shall supervise the financial affairs of the Association, the issuance of checks, collection of receipts and the keeping of proper records relating thereto by the Executive Director.

B. The President may appoint an Advisory Committee with the advice and consent of the Board of Directors. The Advisory Committee shall consist of owners, trainers and/or owner-trainers who are not members of the Board. Members of the Advisory Committee shall attend meetings of the Board whenever possible. They shall have no vote at meetings of the Board. The Advisory Committee shall meet at the call of the President. It shall furnish to the President, and to the Board, such advice and assistance as may be requested. The Advisory Committee may be designated to sit as nonvoting members of any other committee of the MPHBP.

C. In addition, the President shall appoint three members to the following committees: Backside & Grievance, Condition Book, Track Maintenance, , and By-Laws.

D. The President shall appoint with the advice and consent of the Board such additional standing or special committees as the need of the MPHBP may dictate and the Board may create.

SECTION 7: CONTRACTS, LOANS, CHECKS AND DEPOSITS

A. Contracts:

Except as specifically provided herein, all contracts to which the MPHBP is a party shall be reviewed by the Board prior to execution thereof and no such contract shall be executed unless approved by the majority vote of the Board . No contract term may be beyond the term of the Board. The Board may authorize the President or Executive Director to enter into any contract (except purchase contracts which must bear the signature of the President) or to execute and deliver any instrument in the name of and on behalf of the MPHBP and such authority may be general or confined to specific instances. Notwithstanding the foregoing, a committee (by majority vote of the members of such committee) may, within the scope of the business delegated by the Board to that committee, enter into one or more contracts, provided that no such contract may exceed \$7,500.00 for any calendar year.

B. Checks and Drafts:

The Board shall appoint three (3) persons (who shall be either officers or directors of the Association) who may execute all checks, drafts or other order(s) for the payment of money in the absence of the President or Vice President. All promissory notes or other evidence of indebtedness (other than checks, drafts and order for the payment of money) issued in the name of the MPHBPBA must be approved by a majority of the Board. All checks, drafts or other order(s) for the payment of money, and all notes or other evidence of indebtedness issued in the name of the MPHBPBA, to be effective, must bear signatures of the President and Vice President. The Board may, by majority vote, direct that a check, draft, note or other instrument of payment be executed which shall require no further approval or requisition. All checks, drafts or other orders for the payment of money, not previously approved by the Board, shall be issued only upon the written requisition for same signed by at least one (1) member of the Board or the Executive Director, which such Board Member may not also execute the check, draft or other order(s) for the payment of money of the MPHBPBA.

C. Deposits:

All funds of the MPHBPBA shall be deposited from time to time to the credit of the MPHBPBA in such banks, trust companies or other Depositories as the Board may designate. The moneys of the MPHBPBA shall be deposited in interest bearing accounts or savings certificates at such banks or depositories as may from time to time be designated by the Board or invested in such bonds, securities or investments as may be authorized by the vote of a majority of the Directors attending any meeting of which a quorum of directors is present. Such income may be deposited, pending disposition, in such checking accounts as the Board may authorize from time to time. Disposition of the principal amount of such investments may be authorized only by the affirmative vote of a majority of the directors at a meeting where a quorum is present. No funds of the MPHBPBA may be distributed except for the purposes, and subject to the restrictions, set forth in these bylaws. All MPHBPBA funds shall be (1) deposited in banks in amounts not exceeding amounts guaranteed by the FDIC or (2) invested in obligations guaranteed by the United States Government

SECTION 8: GENERAL MEETING

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

Twenty (20) voting members shall constitute a quorum for the transaction of all business at general membership meetings of the MPHBPAA called by the President of the Association, but a lesser number may adjourn a meeting from time to time pending attendance of a quorum.

SECTION 9: LIMITATIONS ON THE MPHBPAA

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

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

B. The MPHBPAA may not obligate itself for legal or attorney's fees without the prior consent of the Board of Directors. In the case of retainer arrangements for continuing legal or attorney services, prior approval of the MPHBPAA's Board of Directors shall be required.

C. No litigation shall be instituted by this MPHBPAA without prior approval of the Board of Directors.

D. No contract between the MPHBPAA and a Racing Association shall exceed three (3) years.

E. Except for the right to vote, hold office, and enjoy the rights, privileges and benefits elsewhere provided in these Bylaws, the MPHBPAA shall provide to non-members the benefits provided with funds derived from (1) contracts with a racing association where (a) the MPHBPAA is designated therein as the organization representing all and/or a majority of the horsemen who race in the jurisdiction of the MPHBPAA or (b) from a statutory allocation to a racing association or (2) the provisions of state laws enacted for and/or having that effect; failing which, the provision of such benefits shall be made only at the discretion of the MPHBPAA upon a favorable vote of a majority of the elected members of the Board.

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

SECTION 10: REQUIRED INDEMNIFICATION OF OFFICERS AND DIRECTORS

The MPHBPBPA shall indemnify any Director or Officer, or former Director or Officer (including former Officers and Directors of the MPHBPBPA when it was an unincorporated division of the National Association), against expenses actually and reasonably incurred by him or her in connection with the defense of any action, suit or proceeding to be liable for negligence or misconduct in the performance of his duty to the MPHBPBPA.

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