

NORTH DAKOTA THOROUGHBRED ASSOCIATION, INC. BY-LAWS

Article I Objectives and Purposes

1. The objectives and purposes of the Association are:
 - a. To develop, promote and protect North Dakota Thoroughbred racing and the interests of Thoroughbred horse owners and breeders within the State of North Dakota;
 - b. To improve the conditions of racing, breeding and raising of Thoroughbred horses;
 - c. To investigate, report and eliminate or remove in any lawful way all practices detrimental or injurious to the breeding, raising and racing of Thoroughbred horses;
 - d. To promote and maintain mutual understanding and respect between Thoroughbred horse owners and breeders, other racing associations, the public, and all other important segments of the racing industry;
 - e. To advise national, state and local governments on matters affecting the Thoroughbred industry;
 - f. To educate, promote and encourage cooperative efforts among owners and breeders of Thoroughbred horses to achieve the foregoing objectives and purposes.
2. For any purpose of the Association and not for pecuniary profit, the Association shall have the following powers:
 - a. To enter into, make and perform contracts for any lawful purpose consistent with the purposes and objectives of the association;
 - b. To edit, print, publish, and distribute any periodicals, books, magazines, papers or bulletins, and to compile and disseminate information of value to Thoroughbred horse owners and breeders;
 - c. To do all and everything necessary and proper for accomplishment of any of the purposes or the attainment of any of the objectives or the furtherance of any of the powers hereinbefore set forth, and not for pecuniary profit, either alone or in association with other corporations, firms or individuals, and to do every other act or acts, thing or things incidental or appurtenant to or growing out of or parts thereof, provided the same be not inconsistent with the laws under which this association is organized;
 - d. The enumeration herein of the objectives and purpose of this corporation shall be construed as powers as well as objectives and purposes and shall be deemed to exclude by inference any powers, objectives or purposes which this corporation is empowered to exercise, whether expressly by force of the laws of the State of North Dakota now or hereafter in effect or implied by the reasonable construction of the said laws.

Article II Principal Office

The principal office of the Association shall be located at the Post Office address of the current Secretary-Treasurer of the Association.

Article III Membership

SECTION 1. MEMBERS. The membership of this Association shall consist of Thoroughbred owners, breeders, and other interested parties.

SECTION 2. MEMBERSHIP FEES.

- a. A voting membership of the Association shall consist of Thoroughbred owners and/or breeders or other interested parties supportive of the Thoroughbred industry. The annual membership dues shall be \$50.00, due and payable in January 1st of each year and will expire December 31st of each year; (amended 2007).
- b. In order to meet the financial needs of the Association, the Board of Directors may from time to time by vote of the majority of the Directors, present at a regular or special meeting provided for assessments, deductions or otherwise against the members, either directly or in conjunction with the Racing Association at which the members operate, provided said assignments, deductions or otherwise shall be reasonable in amount and equitably distributed.

SECTION 3. TRANSFER OF MEMBERSHIP. Membership in the Association shall be non-transferable.

- a. A membership will be suspended or cancelled for the non-payment of annual dues.;
- b. A membership may be suspended or cancelled for violation of these by-laws or for such conduct as in the opinion of the Board of Directors is deemed contrary to the purposes and objectives of this Association; provided, however, that before suspending or expelling a member from the Association, the Board of Directors shall hear and consider the charges preferred against him and shall mail to him, at least 15 days prior to such hearing, a notice of the time and place of such hearing and the nature of such charges. A decision to suspend or expel a member shall require the vote of two-thirds of the Board of Directors and such decision shall be final. In the event of expulsion, the membership shall be forfeited to the Association and the member shall not be entitled to any refund of fees previously paid;
- c. Any member may resign from the Association by filing with the Secretary-Treasurer a written resignation. Such resignation shall be effective as to all committees on which such member was serving; however, such resignation shall not relieve such resigning member of the obligation to pay any fees or other charges theretofore accrued and unpaid. Any member so resigning shall not be entitled to any refund of fees previously paid.

SECTION 4. VOTING RIGHTS.

- a. All members shall have the right to vote, in person or by proxy, with respect to the election of Directors. Each member shall be entitled to vote for as many persons as there are Board member positions available. There shall be no cumulative voting for Directors;
- b. Each paid membership shall receive one vote
- c. Family membership shall be construed as a husband, wife and children under 19 years of age and living at home with only ONE vote for a designated individual within that family.

**Article IV
Meeting of Members**

SECTION 1. ANNUAL MEETING. There shall be an annual meeting of the members held in conjunction with the awards banquet on a date and location selected by the board of directors provided notice of the date and location of the meeting be sent to the membership for the purpose of transacting such business as may come before the meeting, and for the purpose of electing members of the Board of Directors. Any business can be presented at an annual meeting. If the election of officers shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently maybe.

SECTION 2. SPECIAL MEETINGS. Special meetings may be called by the President, by three (3) members of the Board of Directors or by twenty (20) of the members by filing a request for such a special meeting with the Secretary who shall thereupon promptly issue a call for a special meeting on a reasonable date in the future.

SECTION 3. PLACE OF MEETING. The Board of Directors may designate any site as the place to hold the annual or special meeting.

SECTION 4. NOTICE OF MEETING. Written or printed notice stating the place, day and hour of the meeting and, or in the case of a special meeting or when required by statute or by these by-laws, the purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than thirty (30) days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the officer of persons calling the meeting, to each member of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited with the United States postal service in a sealed envelope addressed to the member at his address as it appears in the records of the Association.

Article V Nominations and Elections

SECTION 1 NOMINATIONS. At least 60 days prior to the date of each annual meeting, the President shall appoint a nomination committee consisting of not more than five nor less than three members of the association, one of whose number shall be designated chairman by the President. It shall be the duty of such nomination committee to nominate and file with the Secretary at least 30_ days prior to the annual meeting, the names of candidates for the Board of Directors selected by it, to be voted upon at the next annual election. Additional candidates may be nominated from the floor provided they have been received in writing by the Secretary of this Association at least 10 days prior to the Annual Meeting. If in any year an annual meeting and election is not held, and at such special meeting candidates shall be nominated from the floor of said meeting, a special meeting for the election of Officers and Directors shall be held. Candidates must be a paid member for 365 calendar days prior to being nominated. Membership must be current at the time of nomination

SECTION 2. ELECTION OF DIRECTORS. Each voting member shall be entitled to vote in person or by proxy for the election of Directors. No member shall be entitled to vote for the election of Directors unless he has been a member at least thirty (30) days prior to the election. Previous year's members will have a grace period until the next annual meeting. Each member shall have the right to vote in person or by proxy for as many as there are to be elected. All elections for the Board of Directors shall be decided by plurality vote. There shall be no cumulative voting. When no candidate for the Board of Directors other than those nominated by the nominating committee, are nominated, the person acting as Secretary of the annual meeting and election shall cast on ballot for said candidates and the formalities of election shall be considered thereby fully performed.

Article VI Board of Directors

SECTION 1. DUTIES AND POWERS.

- a. The business and affairs of the Association shall be managed by its Board of Directors and officers.
- b. Each director shall be an active member in good standing.
- c. The Board of Directors shall govern the members of the Association and shall take cognizance of any infraction by the members of its by-laws, rules and regulations.
- d. The Board of Directors shall have power to adopt, alter and amend rules and regulations governing the conduct of members pertaining to the sport of Thoroughbred racing, and to fix penalties for the violation of these by-laws or said rules and regulations. A copy of each rule and regulation shall be sent by mail to each member as soon as convenient.

- e. The Board of Directors shall, at each annual meeting and election of the Association, present a report to the members regarding the property, operation and affairs of the Association for the preceding year.

SECTION 2. NUMBER, TENURE, AND QUALIFICATIONS.

- a. The number of Directors shall be ten (10) elected at large.
- b. Directors shall hold office for a term of five years or until their respective successors are elected and qualified. Such terms shall be staggered so that one-fifth (1/5) of the Board shall be elected each year at the annual membership meeting.

Subsection 1: The President shall be appointed from among the existing members of the board to serve a term of 2 years from among those board members who have at least one year of service on the NDTA Board on even numbered years and the Vice President shall be appointed from among existing members of the board to serve a term of 2 years from among those board members who have at least one year of service on the NDTA Board on odd numbered years. The President and Vice-President must have served a minimum of one term on the NDTA Board. The Secretary/Treasurer shall be contracted to serve for a term of two years on odd numbered years. By the Board of Directors, for such period, such compensation, and with such authority, duties, facilities and assistance as the Board of Directors may determine

SECTION 3. RESIGNATIONS. Any Directors, member of a committee or other office may resign at any time. Such resignation shall be made in writing, and shall take effect at the time specified therein, and if no time be specified, at resignation shall not be necessary to make it effective.

SECTION 4. VACANCIES. If the office of any Director, member of a committee or other office become vacant, the remaining Directors in office by a majority vote, may appoint any qualified person to fill such vacancy, who shall hold office for the unexpired term and until his successor shall be duly chosen.

SECTION 5. REGULAR MEETINGS. A regular meeting of the Board of Directors shall be held immediately before or after, and at the same place as, the annual meeting of members. The Board of Directors may provide, by resolution, the time and place, for the holding of additional meetings without other notice than such resolution.

SECTION 6. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the President or any four Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place as the place for holding any special meeting of the Board of Directors called by them.

SECTION 7. NOTICE. Notice of any special meeting of the Board of Directors shall be given at least five (5) days previously thereto by written notice delivered personally or sent by mail, telephone, email or telegram to each director at his address as shown by the records of the Association. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of the meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these by-laws.

SECTION 8. QUORUM. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board. If less than a majority of the Directors is present at any meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

SECTION 9- PROXIES – At all meetings of members, a member may vote by proxy executed in writing by the member. Such proxy shall be filed with the secretary of the association before or at the time of the meeting.

SECTION 10 MANNER OF ACTING. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors except as otherwise provided by law or these by-laws.

SECTION 11. REMOVAL. Any member of the Board of Directors may be removed for just cause by a two-thirds (2/3) vote of the members of the Association present in person or by proxy at a special meeting of the members of the Association lawfully convened, provided such directors shall have been mailed a written notice signed by the secretary, of the charge preferred against him at least twenty (20) days before such meeting, and provided further that a statement of such charge shall have been mailed to each member of the Association at least ten (10) days prior to such meeting. Such charges shall not be instituted unless said charges are preferred against a director and signed by not less than five (5) members.

SECTION 11. COMPENSATION. Directors as such shall not receive any compensation for their services as Directors or as members of committees.

Article VII Officers

SECTION 1. OFFICERS. The officers of the Association shall be a President, one or more Vice-Presidents, (the number thereof to be determined by the Board of Directors), a Secretary-Treasurer, ex officio, and such other officers as may be elected in accordance with the provisions of this Article. The Board of Directors, by resolution, may create the offices of one assistant treasurer and assistant Secretary, all of whom shall be elected by the Board of Directors. Any two or more offices may be held by the same person, except the offices of President and Secretary-Treasurer and President and Vice-President. The Secretary/Treasurer need not be an active member of the association

SECTION 2. ELECTION AND TERM OF OFFICE. The officers of the Association shall be elected annually. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter at their convenience. Vacancies may be filled or new offices created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and qualified or until his death, resignation or removal in the manner hereinafter provided.

SECTION 3. REMOVAL. Any officer elected or appointed by the Board of Directors may be removed by a two-thirds (2/3) vote of the Board of Directors whenever in its judgement the best interest of the Association would be served thereby but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Removal proceedings shall be instituted by a petition signed by any two directors specifying the charges against the officer involved. Said charges shall be mailed to the officer subject to removal at least twenty (20) days prior to the meeting of the Board of Directors at which his removal is to be considered. The charged officer shall have an opportunity to be heard at such meeting.

SECTION 4. VACANCIES. A vacancy in any office, because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5. PRESIDENT. The President shall be the principal executive officer of the Association and shall in general supervise and control all of its business and affairs. He shall preside at all meetings of the general membership and Board of Directors. He may sign, with the Secretary or any other proper officer of the Association thereunto authorized by the Board of Directors, any contract, or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these by-laws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed. In general he shall perform all duties incidental to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6. VICE PRESIDENT. In the absence of the President or in the event of his inability or refusal to act, the Vice-President (in the event there be more than one Vice-President, the Vice-President in the order of election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restriction upon the President. Any Vice-President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

SECTION 7. THE TREASURER / SECRETARY. The treasurer shall have a bond for the faithful discharge of his/her duties in such sum and with such surety or sureties as the Board of Directors shall determine. This position will be the only Board position that shall be compensated. The compensation shall be set by the NDTA Board of Directors. He shall have charge and custody of and be responsible for all funds and securities of the Association; receive and

give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks, trust companies or other depositories as shall be selected by the Board of Directors. He shall, in general, perform all the duties incidental to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. The Secretary shall keep the minutes of the Association and the Board of Directors, meetings in one or more books provided for that purpose. He shall see that all notices are duly given in accordance with the provisions of these by-laws or as required by law. He shall also be custodian of the Association records and keep register of the current post office address of each member which shall be furnished to the Secretary by each member. He shall in general perform all duties incidental to the office of the Secretary and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. The Secretary/Treasurer shall have no vote as an ex officio member of the Board of Directors.

Article VIII Committees

SECTION 1 COMMITTEES. The President, with the approval of the Board of Directors, shall appoint such committees and be an ex officio member with such powers and duties as he shall deem appropriate for the better administration of the affairs of the Association and the advancement of its purposes. The President shall appoint one member of each committee to act as chairman, who shall be a member of the Board of Directors or from the membership of the Association.

SECTION 2. TERM OF OFFICE. Each member of a committee shall continue as such until the next annual meeting of the Board of Directors, unless the committee shall be sooner terminated or unless such member be removed from such committee or unless such member shall cease to qualify as a member thereof.

SECTION 3. QUORUM. Unless otherwise provided in the resolution of the Board of Directors approving the designation of a committee, a majority of the whole committee shall constitute a quorum, and the act of a majority of the members at a meeting at which a quorum is present, shall be the act of the committee.

Article IX Contracts, Loans, Checks, and Deposits

SECTION 1. CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents, of the Association in addition to the officers so authorized by these by-laws, to conduct negotiations, to appear before public bodies, to enter into any contract, or execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances.

SECTION 2. LOANS. No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless specifically authorized by a resolution of the Board of Directors.

SECTION 3. CHECKS, DRAFTS, ETC. All check, drafts or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by the Secretary-Treasurer and Directors countersigned by the President or Vice-President of the Association.

SUBSECTION A. The Board of Directors may assign the sole responsibility of signing the checks to the Secretary-Treasurer.

SECTION 4. DEPOSITS. All funds for the Association shall be deposited by the Secretary-Treasurer from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors select.

SECTION 5. GIFTS. The Board of Directors may accept on behalf of the Association any contribution, fit, bequest, or device for the general purpose or for any special purpose of the Association.

Article X Books and Records

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors and committees, and shall keep at the registered or principal office a record, giving the names and addresses of the members entitled to vote. All books and records of the Association may be inspected by any member, or his agent or attorney for any purpose at any reasonable time.

Article XI Fiscal Year

The fiscal year of the Association shall begin on the first day of December and end on the last day of November in each year.

Article XII Funds of the Association

SECTION 1. INVESTMENTS. The officers of the Association shall be empowered to make any investments of the Association funds that in their discretion appear to be advisable. In this connection, however, they shall have due regard to the necessity of safeguarding the principal funds of the Association and shall in that respect avoid any speculative investments.

SECTION 2. DISTRIBUTION AND USE OF PRINCIPAL AND INCOME. The principal and income of the Association shall be held and disbursed in accordance with the purposes of the Association.

Article XIII Waiver of Notice

Whenever any notice whatsoever is required to be given under the provisions of these by-laws or under the provisions of the Articles of Incorporation or under the laws with respect to corporations not for pecuniary profit of the State of North Dakota, waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time states herein, shall be deemed equivalent to the giving of such notice.

Article XIV Approval and Amendments

These by-laws may be altered, amended, or repealed and new by-laws may be adopted by a vote of a majority of the members present at any regular or special meeting of this Association, called for that purpose, provided that written notice of the meeting and of the proposed amendment have been given to the members at least 30 days prior to the meeting.

Article XV Dissolution

DISSOLUTION. Except as otherwise provided by law, the corporation may be dissolved upon the affirmative vote or written consent of a majority of the members. Upon dissolution of the association for any cause except reorganization or incorporation (in which case the property of the corporation shall be conveyed to the new corporation), the assets remaining after all obligations have been fully satisfied shall be conveyed to and vested in such nonprofit organization or organizations which themselves are exempt from the payment of Federal Income Tax under the laws of the United States as Board of Directors may designate. The Board shall direct such conveyances to such institutions and organizations and in such manner as will in its judgement best served to effectuate the purposes of the corporation.

Article XVI Interpretation

In these by-laws, unless there shall be something in the subject or context inconsistent therewith, words importing singular include the plural and vice versa, the words importing males include females. The word "person" or "persons" as used in these by-laws, includes individuals, firms and corporations