

**THE MINNESOTA  
HORSEMEN'S BENEVOLENT  
&  
PROTECTIVE ASSOCIATION, INC.**

**CONSTITUTION AND BYLAWS**

As amended by the membership (1/8/95)

And (5/9/02)

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**ARTICLE 1.**

**NAME, DEFINITIONS, PURPOSES**

**Section 1. Name.**

This Association shall be know as TIHE MINNESOTA HORSEMEN'S BENIEVOLENT & PROTECTIVE ASSOCIATION, INC., a nonprofit corporation organized under the laws of the State of Minnesota.

**Section 2. Definitions.**

As used in this Constitution and Bylaws:

- (A) "Association" shall mean "the Minnesota Horsemen's Benevolent & Protective Association, Inc.
- (B) "Board of Directors" and "Board" shall mean the Board of Directors of the Association.
- (C) "National Association" shall mean the National Horsemen's Benevolent & Protective Association, Inc., a corporation organized under the laws of the State of, Maryland as distinguished from this Association.
- (D) "National Board of Directors" and "National Board" shall mean the Board of Directors of the National Association.
- (E) "Board of Directors", "Board" and "Director" shall mean the elected representative or representatives of this Association.
- (F) "Horse" shall mean a Thoroughbred racehorse two (2) years of age or older (under rules of racing) which is not retired from racing and is not retired to breeding, either as a brood mare or stallion.
- (G) In this Constitution and 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.
- (H) "Horseperson" means a person who is currently licensed by the commission as an owner or lessee, or a trainer. (MINN. STAT. Section 240.01 Subd.17.)
- (I) A "start" occurs when a horse is entered into a race on which parimutuel wagering is authorized, and actually starts.
- (J) "Aggregate starts" are computed by multiplying the qualifying percentage of the members interest in a horse times the number of starts for that horse during the qualifying period.

**Section 3. Purposes.**

The Association is formed for the following purposes:

- (A) To promote the common interests of its members and improve conditions in the Thoroughbred industry of Minnesota 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 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 horsepersons in Minnesota;
  - (2) Negotiation with race tracks on a collective basis on issues affecting the common interests of horsepersons including schedules, stakes programs, safety issues and working conditions;
  - (3) Representation of the common interests of horsepersons at various meetings and hearings of racing associations, racing commissions and other racing organizations;
  - (4) Improvement of the image of Thoroughbred racing in Minnesota and the relationships between horsepersons, other members of the racing industry and the general public; and
  - (5) Representing all Thoroughbred horsepersons racing at Minnesota racetracks with respect to all responsibilities set forth under Minnesota law relating to horseperson's organizations.

## **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 elected by the members, and the other duly elected and appointed officers of the Association.

#### **Section 2. Constitution and Bylaws.**

This Constitution and Bylaws shall govern the Association.

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

**Section 3. Powers of The Board.**

- (A) The Board shall be vested with and shall exercise all the powers of the Association and upon it is conferred the management, direction and control of the Association, except as otherwise provided herein.
- (B) The Board shall have the power to censure, suspend or expel any or all of the Officers, Directors, members or employees of the Association for violation of any provision of this Constitution and Bylaws, for illegal, unethical or unsportsmanlike conduct or for failure to remain in good standing in accordance with the rules of racing in effect where the member races, after a duly held hearing in accordance with the Constitution and Bylaws.
- (C) The Board shall designate the location of the Association's headquarters.
- (D) The President may appoint and employ, shall determine the method of appointment and length of employment of and shall supervise the employment and conduct in office of the Executive Director and General Counsel and such other employees as he deems necessary, subject to the approval of the Board.
- (E) The Board shall have the power to establish subsidiary corporations, partnerships, funds, foundations and other entities consistent with the Association's purposes.

**Section 4. Constitutional Amendments.**

The Board of Directors of the Association may amend or make additions to this Constitution and Bylaws to be approved by the members of the Association.

An amendment to this Constitution and Bylaws may be proposed by a signed petition of not less than seventy-five (75) members of the Association filed with the Executive Director or with the Board. Proposed amendments to the Constitution and Bylaws shall be retained by the Executive Director and shall not be sent out for a vote and for possible adoption unless and until the proposed amendment has been reviewed by the Board for any conflicts with the Constitution & Bylaws or other legalities.

Upon the proposal of an amendment, the Executive Director shall mail a copy thereof, together with a ballot and addressed return envelope to each member. A ballot postmarked within thirty (30) days and received within forty-five (45) days after such mailing shall be counted in determining the adoption or rejection of the proposed amendment. Ballots on a proposed amendment shall be retained unopened by the Executive Director until the next meeting of the Board, which shall be held no later than sixty (60) days from the date of mailing, and shall be opened and counted at the direction of the Board.

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

In the event amendments to the Constitution and Bylaws are required by law or are necessary in order for the Association to carry out its business purpose the Board may adopt by a two-thirds (2/3) vote such required and necessary amendments. In such case, written notification of such action shall be sent to all members of the Association within five (5) days.

**Section 5. Obligations of the Association.**

All notes, checks and other negotiable instruments of the Association shall be signed by the President and Executive Director. No notes, mortgages or negotiable instruments other than checks may be signed by any officer, employee or member without the prior written approval of the Board of Directors.

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

**Section 6. No Discrimination.**

The Association is opposed to discrimination against its officers and directors for carrying out their duties on behalf of the Association. The Board shall take appropriate action where such discrimination is found to occur.

**Section 7. Use of the Association Name.**

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

**Section 8. Subsistence and Travel Expense Reimbursement.**

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

**Section 9. - Contract Negotiations.**

This Association shall represent horsepersons and shall bargain collectively with Racing Associations in an attempt to reach agreements with respect to purses and other conditions affecting racing.

With respect to the withholding of entries it shall be the declared policy of this Association to comply with all applicable state and federal laws.

**Section 10. Contracts.**

No contract shall be made with a Racing Association for more than two years unless ratified by a 2/3 vote of the Board of Directors and then only after the proposed agreement is first presented at a general membership meeting.

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

The Association will use its best efforts to ensure that members comply with the terms and conditions of any legal commitment entered into by the Association.

### **ARTICLE III.**

#### **MEMBERSHIP**

##### **Section 1. Eligibility.**

Any owner, owner-trainer, or trainer of a Thoroughbred racehorse who is currently licensed as such by the Minnesota Racing Commission or is a tenure member as defined in section five (5) of this article shall be eligible for membership in the Association.

##### **Section 2. Membership.**

Any person eligible for membership in the Association shall become a member at such time as such person shall start a Thoroughbred racehorse in a qualifying race (which is a race on which pari-mutuel wagering is authorized within the jurisdiction of this Association).

##### **Section 3. Honorary Membership.**

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

##### **Section 4. Duties of Membership.**

(A) It shall be the duty of every member of the Association to conduct himself at all times in such manner as to merit the respect of the public and to act at all times in the best interests of The Minnesota Horsemen's Benevolent & Protective Association, Inc.

(B) Every member of the Association, by accepting the benefits of membership, agrees to abide by the Constitution and Bylaws of the Association, any order or decision of the Board of Directors, and to accept as final the decision of the Board of Directors after a hearing and agrees to hold the Association, its Officers, Directors and employees harmless for any action taken or not taken in good faith.

##### **Section 5. Tenure of Membership.**

(A) Tenure. A member of the Association shall remain as such so long as he is a licensed owner, owner-trainer, or trainer of a Thoroughbred racehorse in the jurisdiction of the Association, or until the close of the calendar year following the last calendar year during which he started such a horse.

In the event that there is no live racing in the jurisdiction during any calendar year, a person who was a member of the Association during either of the most recent two calendar years in which live racing occurred shall remain as such subject to the disqualifying conditions set forth



in this section. When live racing resumes in the jurisdiction, the Association's membership shall consist of those persons who become members during the current meet plus those who were members during the most recent calendar year in which live racing occurred.

(B) Suspension or Expulsion. A member of this Association may be suspended or expelled from membership by a two-thirds (2/3rds) vote of the members of the Board of Directors, following a hearing for violation of any provision of the Constitution and Bylaws, or for illegal, unethical or unsportsmanlike conduct, or for failure to remain in good standing in accordance with the rules of racing adopted by the state of Minnesota.

A member shall be given reasonable notice of the hearing and shall have the right to be heard in person or by counsel and to introduce evidence on his behalf.

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

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

Upon request to the Association by the suspended or expelled member, the Association Board of Directors, by majority vote, may request to the National Association Executive Committee an impartial review of the protest on an advisory basis.

## ARTICLE IV

### ELECTIONS AND VOTING

#### **Section 1. Supervision of Elections.**

All Association elections shall be under the supervision of the Board of Directors. An Election Committee of three (3) members shall be appointed by the President of the Association with the advice and consent of the Association's Board of Directors no more than thirty (30) days before the first general nominating meeting.

The three members appointed to the Election Committee shall be neither members of the Board nor candidates for any offices. The Election Committee shall be responsible for seeing that the election is run in accordance with the Constitution and Bylaws. The Election Committee shall attend the opening and counting of the ballots; no one else shall be entitled to attend the counting of ballots as a matter or right.

**Section 2. Elections.**

An election shall be held every year to fill expired terms on the Board of Directors who shall hold office during their term and until their successors are elected.

Elections shall be held before the close of the live race meet conducted in the jurisdiction of the Association, or in the event of no live racing, no later than the last day in August.

No more than thirty (30) days before the general nominating meeting called for the purpose of receiving nominations for the next election, the President, with the advice and consent of the Board of Directors, shall appoint a Nominating Committee consisting of not less than three (3) members for the purpose of making nominations, receiving suggestions and nominations from the membership. The Nominating Committee shall hold one or more meetings of the Nominating Committee, one of which must be before the general nominating meeting and no more than twenty (20) days from the date of appointment of the Nominating Committee. The Nominating Committee shall hold a general nominating meeting to receive nominations from the floor, nominating petitions and to announce its nominations. All nominees must be members of the Association.

When more than one general nominating meeting is held, the date of the last general nominating meeting shall be deemed the date of each candidate's nomination. The Nominating Committee shall neither make or accept any nominations 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 ten (10) members in good standing, provided that said petition is filed with the Executive Director during said fifteen-day period and is accompanied by the candidate's affidavit and policy statement, if any.

In the event that there is an insufficient number of qualified candidates nominated to fill the positions becoming vacant, the Board of Directors may provide for nominating procedures other than set forth in this section.

There shall be at least one general nominating meeting within the Jurisdiction of the Association. Those members present shall sign a list evidencing their presence. Nominations by the Nominating Committee shall not require seconds. A nomination from the floor will be accepted if it receives the 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 ten (10) members of the Association.

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

**Section 3. Candidates and Electioneering.**

The Executive Director shall notify each candidate of his nomination by certified mail as soon after the general nominating meeting as possible.

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

- (A) He fulfills the requirements for eligibility for office as provided in this Article;
- (B) He has read the requirements of the Constitution and Bylaws respecting elections and candidates, agrees to be bound by them and will obey any decision of the Board of Directors in regard thereto;
- (C) He will run for office, serve if elected and remain eligible during the term of any office to which elected;
- (D) Declares whether he is an officer, director, or employee of any other association representing Thoroughbred horsepersons within the jurisdiction of the Association and also declares if he has any other relationship that involves a conflict of interest as defined in Article IV, Section 5.

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

No candidate may authorize or knowingly permit any articles, statements, or pictures about him to be published which could be construed as campaign material or "political activity" after the general nominating meeting in any HBPA related publication. There shall be no distribution of marked sample ballots, nor any placard or banner referring to any candidate or slate of candidates. If a candidate violates this section, (1) said candidate may be disqualified (a) as a candidate for office or (b) from taking office if the election has been completed; or (2) that portion of the election in which a violation occurred may be rerun.

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

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

Upon request of the Protestant to the Association, the Association Board of Directors, by majority vote, may request to the National Association Executive Committee an impartial review of the protest on an advisory basis.

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

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

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

#### **Section 4. Manner of Voting.**

Voting shall be by secret ballot. Subject to the authority of the Board of Directors, all voting and election procedures shall be supervised by the Election Committee and managed by the Executive Director in accordance with the procedures set forth in the Constitution and Bylaws. Other procedures, not inconsistent therewith, adopted by the Board of Directors for the Executive Director to perform his duties with respect to Association elections may be randomly checked by the Association's auditor.

At a time specified by the Board of Directors, but not less than thirty (30) day prior to an election, the Executive Director shall mail in an envelope bearing the Association's return address, the following to the last known address of each owner, owner-trainer, and trainer who is qualified to vote:

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

The Executive Director shall use the membership roster of the Association for mailing of ballots.

The Executive Director shall maintain on a current basis the association's membership roster. Prior to the mailing of ballots, the Executive Director or other duly authorized Association representative shall use reasonable efforts to confirm the identity and address of each member.

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

A member shall vote by marking his ballot, enclosing and sealing it in the unmarked envelope, enclosing and sealing that envelope in the return envelope addressed to the Executive Director at the Association, making certain that his name is printed or typed in the upper left-hand corner, signing the upper left-hand corner and personally posting the envelope. No envelope may contain more than one inner envelope and ballot.

Failure to enclose a ballot in the unmarked envelope shall not, in and of itself, constitute a ground for voiding said ballot.

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

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

**Section 5. Other Organizations - Conflicts of Interest.**

No person who is or whose spouse is an officer or director of, or is employed by a Racing Association, Racing Commission, non Thoroughbred horsepeirsons association, or owner of a beneficial interest in a business operated at a racetrack or pari-mutuel wagering facility in the jurisdiction of the Association shall be put on the ballot as or be a candidate for Director of the Association.

No person who is or whose spouse is an owner of more than one-quarter (1/4) of one (1) percent of the outstanding stock in a racetrack or wagering facility in the jurisdiction of the Association shall be put on the ballot as or be a candidate for Director of the Association.

No person shall serve on the Board of the Association if he is an officer, employee, or serving on the board of any other association representing Thoroughbred horsepersons in the jurisdiction of the Association.

**Section 6. Election of the Board of Directors.**

The Board of Directors shall be elected by the Association's voting members. Six (6) Directors shall be owners-only and three (3) Directors shall be trainers or owner-trainers.

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

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

- (C) He has started the aggregate total of one or more horses a minimum of three (3) times while a member in the Association in the one year immediately preceding the date of his nomination with at least one (1) of the aggregate starts being made within the jurisdiction of the Association.

Spouses shall not serve on the Board at the same time.

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

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

The term "one year" shall mean the 365 days immediately preceding the date of nomination of a candidate. in the event there is no live racing in the jurisdiction of the Association prior to the date of nomination in the year in which the election occurs, then "one year" shall mean the 365 days immediately preceding the last day of live racing in the most recent year in which live racing was conducted within the jurisdiction of the Association.

#### **Section 7. Election of the President.**

The President shall be elected by the Association's Board of Directors at the first Board meeting following an election which shall be held no later than fifteen (15) days after the election.

#### **Section 8. Election of the Vice President.**

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

### **ARTICLE V**

## **OFFICERS**

### **Section 1. Board of Directors.**

#### **(A) Composition.**

The Board of Directors shall be composed of nine (9) voting members of the Association, one of whom shall be President and at least one of whom shall be a Vice President. Members of the Board shall each serve for three (3) years and until their successors have been duly elected and qualified.

If any member of the Board resigns, is unable to serve because of illness or otherwise, dies, or is absent from three (3) consecutive regularly scheduled Board meetings without extenuating circumstances confirmed in writing to the Executive Director within thirty (30) days after any absence, his position on the Board shall be declared vacant.

A vacancy on the Board, regardless of how it occurs, shall be filled by naming that Board candidate who received the next highest vote in the last election, owner replacing owner and trainer replacing trainer. If there is no available alternate, the vacancy shall be filled by the majority vote of the members of the Board.

Regardless of the method used to fill the vacancy, any member of the Board filling a vacancy shall serve only until the elected candidates from the next election assume office.

#### **(B) Meetings; Quorum.**

Five- (5) members of the Board shall constitute a quorum for the conduct of business, but a lesser number may adjourn a meeting from time to time pending attendance of a quorum. The President shall be entitled to vote as a member of the board. Proxies shall not be permitted or accepted.

For the purposes of establishing a quorum or conducting business, Board members may participate in a Board meeting by telephone. If telephone participation takes place, it must be done in a manner that allows all participants to hear and speak to each other simultaneously.

The Board shall hold at least six (6) regularly scheduled Board meetings between each election and such additional meetings as the welfare of the Association may require.

#### **(C) Responsibilities.**

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

(D) Liaison with Membership.

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

(E) Financial Records.

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

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

(F) Bank Accounts; Association Obligations.

No bank account, savings account, certificate of deposit, U.S. Treasury bill or other Association investment of any kind whatsoever may be opened, purchased and/or maintained by the Association without written notice to the Executive Director, such notice to be given within thirty (30) days of the opening or purchase thereof or by the end of the fiscal year, whichever comes first. Withdrawal from, liquidation, or redemption at maturity or otherwise from any account, certificate of deposit, U.S. Treasury bill or investment must bear the signature of the President and Executive Director, provided that any two Officers may sign checks on Association accounts when specific written permission has been requested and granted by the Executive Director in writing.

The President or Executive Director may be the sole signatory of checks in amounts not to exceed five hundred dollars (\$500), and then only in the event that the absence of a second authorized signatory prevents the Association from conducting business in a timely manner.

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

Association disbursements shall be by check, never by cash, except for petty cash disbursement limits as approved by the Board of Directors.

(G) Bonding.

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



**Section 2. The President.**

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

- (A) Only the President shall call and preside at all meetings of the Association and of the Board of Directors and shall determine the agenda for each such meeting.
- (B) Except as otherwise provided herein, he shall sign all checks drawn by the Executive Director for (1) the payment of bills approved by the Finance Committee and (2) to carry out his responsibilities under the Constitution and Bylaws.
- (C) He shall report to the Board any irregularities or derelictions on the part of the Executive Director or any member of the Board.
- (D) He shall, with the advice and consent of the Board, appoint members of all standing and special committees, except as otherwise provided herein.
- (E) He shall be an ex officio member of all standing, special and other committees of the Board.
- (F) He shall notify the Board of Directors forthwith of any charges brought or anticipated to be brought against any Officer or Director that may involve such Officer's or Director's fight to race, or for the violation of this Constitution and Bylaws.
- (G) He shall call at least two (2) general meetings and six (6) regularly scheduled Board meetings each year and such additional meetings as the welfare of the Association may require. He shall, upon written petition of three (3) or more members of the Board, call a meeting of the Board within six (6) days if a race meeting is in progress and within thirty (30) days if no race meeting is in progress. He shall, upon written petition of thirty (30) or more members of the Association, call a general meeting of the Association within two (2) weeks if a race meeting is in progress and within thirty (30) days if no race meeting is in progress. A petition for a general meeting must state the primary purposes or issues for which the meeting is called. The meeting must be held in the immediate race meeting vicinity where the issues or purposes of the meeting arose. This requirement shall not prevent the consideration of other issues at the meeting. Decisions, recommendations and resolutions passed at general meetings shall be advisory only.
- (H) He shall cooperate with the Board in maintaining liaison with the membership and keeping it informed.
- (I) He shall not sign any signature cards for any bank accounts or deposits in any financial institutions, or sign any notes, negotiable instruments or obligations of the Association except as specifically allowed by the Constitution and Bylaws.

**Section 3. The Vice President.**

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

permanent disability or disqualification of the President, a Vice President, in the order of designation, shall succeed to the office of President of the Association.

**Section 4. The Executive Director.**

The Executive Director and all other employees shall be appointed by the President with the advice and consent of the Board of Directors. The Executive Director and all other employees shall not be members of the Board nor have a vote thereon.

In the absence of an Executive Director, the President may, with the advice and consent of the Board of Directors, assign the duties contained in this section to Director(s). The assignment of duties to any Director(s) shall in no manner affect the voting rights of the Director(s) assuming such duties.

The Executive Director shall:

- (A) Attend all meetings of the Association and of the Board, prepare the agenda for all such meetings and keep minutes thereon.
- (B) Keep a record of all track and race statistics in the Association.
- (C) Collect and deposit all moneys in the name of the Association 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 Association except as specifically allowed by the Constitution and Bylaws.
- (D) Draw and sign checks (which also require the signature of the President except as otherwise provided herein) for the payment of all bills that have been approved by the Finance Committee.
- (E) Require banks designated as depositories for Association funds to send 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 Association and to correctly show the financial condition of the Association.
- (G) Send to the Board of Directors a monthly statement showing income and disbursements, moneys on hand and other financial activities of the Association.
- (H) Render all possible assistance and service to the President, the Board and members of the Association.
- (I) Make available to members a copy of any executed contract and/or purse agreement.

- (J) Notify the Board of Directors forthwith of any charges brought or anticipated to be brought against any Officer or Director of the Association that may involve such Officer's or Director's right to race, or allegation of nonfeasance and misfeasance under the Constitution and Bylaws;
- (K) Perform duties with respect to Association elections as specified in Article IV hereof, and
- (L) Perform such other duties as may be directed by the President and the Board of Directors.

**Section 5. Committees.**

There shall be standing committees as follows:

- (A) The Board of Directors shall choose at least three (3) of its members to serve as members of a Finance Committee. The Finance Committee shall approve all bills of the Association. 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 Board shall choose at least three (3) of its members to serve as members of a Benevolence Committee. The Benevolence Committee shall recommend to the Board from time to time any worthwhile charitable case to be referred to The Minnesota Horsemen's Benevolent and Protective Association Foundation, Inc..
- (C) There shall be an Election Committee as provided in Article IV, Section 1.
- (D) 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 Association whenever possible. They shall have no vote at meetings of the Board. The Advisory Committee shall meet at the call of its Chairman and at the call of the President. It shall furnish to the President and to the Board such advice and assistance as may be requested or as the Advisory Committee may deem appropriate. Members of the Advisory Committee may be designated to sit as nonvoting members of any other committee of the Association.
- (E) The President shall appoint a Backstretch Committee with the advice and consent of the Board of Directors. It shall consist of at least three (3) members. It shall be responsible for the improvement of backstretch conditions and facilities, which shall include living quarters, sanitation, restaurant or kitchens and recreational facilities.
- (F) The President shall appoint with the advice and consent of the Board such additional standing or special committees as the needs of the Association may dictate and the Board may create.

**Section 6. General Meetings.**

There shall be at least two (2) general membership meetings of the Association each year and such additional meetings as the welfare of the Association may require.

**Section 7. Limitations on this Association.**

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

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

- (B) The Association may not obligate itself for legal or attorneys' fees without the prior written consent of the Board of Directors.
- (C) No Litigation shall be instituted by this Association without prior approval of the Board of Directors.

**ARTICLE VI**

**NATIONAL ASSOCIATION MEMBERSHIP**

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

**ARTICLE VII**

**INDEMNIFICATION**

To the fullest extent permitted by, and in accordance with the provisions of Minnesota law, as the same exists or may hereafter be amended, the Association shall indemnify each director or officer of the Association against expenses (including attorneys fees), judgments, taxes, penalties, settlements, and fines incurred in connection with any threatened, pending or completed action, suit or proceeding

(whether civil, criminal, administrative or investigative) to which such individual is, or is threatened to be made, a party because he or she is or was a director or officer of the Association, or is or was serving at the request of the Association as a director, officer, partner, employee or agent of another domestic or foreign corporation, partnership, joint venture, trust or other enterprise, and shall pay any such amounts on behalf of the indemnified party.

The indemnification against liability provided by, or granted pursuant to, this Constitution and Bylaws shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any agreement, action of disinterested directors, or otherwise, both as to action in the individual's official capacity and as to action in another capacity while holding such office of the Association, shall continue as to a person who has ceased to be a director or officer of the Association, or other indemnified party, and shall inure to the benefit of the heirs, executors and administrators of such a person.

The Association may purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee or agent of the Association, or who, while a director, officer, employee, or agent of the Association, is or was serving at the request of the Association as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan of other enterprise, against liability asserted against or incurred by such individual in that capacity or arising from his or her status as a director, officer, employee, or agent, whether or not the Association would have power to indemnify such individual against the same liability under the provisions of this Section of the Constitution and Bylaws or Minnesota law.

Any repeal or modification of this Constitution and Bylaws by the Board of Directors shall not adversely affect any right or protection of a director or officer of the Association under this Constitution and Bylaws with respect to any act or omission occurring prior to the time of such repeal or modification.

**Elimination of Certain Liability of Directors.** A Director of the Association shall not be personally liable to the Association for monetary damages for breach of his duties as a director, provided that this provision shall not eliminate or limit the liability of a director for acts or omissions not in good faith or which involve intentional misconduct. This provision shall continue to be applicable with respect to any such breach of duties by a director of the Association as a director notwithstanding that such director thereafter ceases to be a director and shall inure to the personal benefit of his heirs, executors and administrators.