

NEW YORK THOROUGHBRED BREEDERS, INC.



BY-LAWS

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NAME

ARTICLE 1

The name of the organization is New York Thoroughbred Breeders, Inc., and will be commonly known as NYTB throughout these by-laws.

PURPOSE

ARTICLE 2

The purposes of the NYTB are:

- (a) To be the official authorized representative of the thoroughbred breeding industry in New York State;
- (b) To be the unified voice of thoroughbred breeders in New York State for purposes of communicating the advantages and rewards of breeding thoroughbreds in the State of New York, and for the purposes of conducting and coordinating activities with breeding and racing associations and agencies, including, but not limited to, the New York Racing and Wagering Board, the New York State Thoroughbred Breeding and Development Fund, The Jockey Club, the New York Thoroughbred Horsemen's Association, the National Steeplechase and Hunt Association, The Jockeys' Guild, The National Thoroughbred Racing Association.
- (c) To lend its support to activities which may aid in the development of the breeding and racing industries in New York State in particular, and the nation in general; and to do any other act or thing incidental or connected with the foregoing purposes or in advancement thereof, but not for the pecuniary profit or financial gain of its members, directors or officers except as permitted under Article 5 of the New York Not-For-Profit Corporation Law.
- (d) To advance, promote and disseminate educational information regarding thoroughbred breeding through various activities including but not limited to a scholarship program, an internship program and by conducting educational programs, meetings or seminars independently or in conjunction with educational institution

TERRITORY

ARTICLE 3

The NYTB shall operate throughout the State of New York and outside the State of New York in such places as will further the purpose of the organization and as are permitted by law.

PRINCIPAL OFFICE

ARTICLE 4

The principal office of the NYTB shall be located in the State of New York

MEMBERSHIP

ARTICLE 5

- (a) To be eligible for membership in the NYTB, a person shall be currently engaged in the thoroughbred industry as a breeder or stallion owner in the State of New York, lessees and lessors of mares and stallions domiciled in New York, or own property in the State of New York which is utilized for breeding thoroughbreds specifically for the pari-mutuel racing industry and/or others who have demonstrated an interest in furthering the purposes of the NYTB.

The following categories of membership shall have voting privileges and may run for the board of directors: Corporate Member (4 members, 1 vote), Joint Member (2 members, 2 votes) or Individual Member (1 member, 1 vote)

The following category of membership shall have all of the same privileges and benefits of membership however shall not have the right to vote or run for the board of directors, or sign a nominating petition for a board candidate: Associate Member (1 member, no voting rights)

- (b) Members in good standing shall include only those members who have fully paid their NYTB dues. Only members in good standing on November 1 shall be eligible to vote in NYTB elections. Only members in good standing shall be eligible to vote on amendments to these by-laws.
- (c) No member of the NYTB shall be discriminated against because of age, race, creed, color, national origin, sex, disability, marital status or sexual orientation, nor shall the board of directors discriminate in the admission of new members of the NYTB based on age, race, creed, color, national origin, sex, disability, marital status or sexual orientation
- (d) Pursuant to New York Not-for-Profit Corporation Law § 601(e) a member may be suspended for a period or expelled for cause such as a violation of any of the bylaws or rules of the NYTB, or for conduct prejudicial to the best interests of the NYTB. Suspension or expulsion shall be by a two-thirds (2/3) vote of the membership of the board of directors, provided that a statement of the charges have been mailed by registered mail to the member under charges at his or her last recorded address at least fifteen (15) days before final action is taken thereon; this statement shall be

accompanied by a notice of the time when and place where the board of directors is to take action. The member shall be given an opportunity to present a defense at the time and place mentioned in such notice.

DIRECTORS

ARTICLE 6

- (a) NUMBER OF DIRECTORS AND TERM. There shall two (2) classes of directors. The first five (5) directors shall be elected for a two (2) year term of office beginning in a year ending in an odd number. The second class of six (6) directors shall be elected for a two (2) year term of office beginning in a year ending in an even number. Each two (2) year term shall commence on January 1st of the year following election and shall end December 31st of the following year.

- (b) DIRECTOR QUALIFICATIONS.

NYTB voting members may seek election to the board of directors if:

- 1) They are currently engaged in the thoroughbred industry as a breeder or stallion owner in the State of New York or are lessees and lessors of mares and stallions domiciled in New York
- 2) They submit a nominating petition with the original or faxed signatures of ten (10) NYTB members in good standing; and
- 3) They submit with their nominating petition a brief curriculum vitae which consists of pertinent data and a brief statement of their qualifications; and
- 4) They are NYTB members in good standing who have made payment of their dues on or before April 2 of the year in which they are nominated for election to the Board.

- (c) ELECTION TIMETABLES AND PROCEDURES.

The following shall be the election procedure for NYTB Board elections in each election:

- 1) By letter postmarked no later than the first Monday in November, all NYTB members in good standing shall be notified that the election process has commenced;
- 2) Nominating petitions will be accepted from NYTB members in good standing and shall be received by NYTB on or before the stated date in the election procedure letter. Late nominating petitions shall not be accepted and shall be null and void.
- 3) The nominating committee shall maintain a list of all candidates who have submitted nominating petitions for NYTB elections. The

nominating committee shall also determine which candidates are eligible for NYTB Board elections and shall direct that all eligible candidates be listed on the ballot.

- 4) The date for the mailing of the ballots by NYTB and the date the ballots must be returned to NYTB will be clearly stated in the election procedure letter and also on each ballot. Any ballots that are not received in accordance with those dates will be declared null and void.

(d) RESIGNATIONS OF DIRECTORS; VACANCIES.

- 1) Any director may resign at any time. Such resignations shall be in writing to The Board of Directors.
- 2) Any vacancies caused by the death or resignation of a director or as a result of changes in these by-laws shall be promptly filled by the Board of Directors by majority vote of those directors present at a regular meeting or special meeting of the Board. In the event of a tie, the officers – president, vice-president and secretary/treasurer shall each cast one vote with the candidate receiving the majority of the votes to be declared the winner and new director. If the director vacancy was that of an officer, the first director at large (appointed at the organizational meeting of the current year) will cast the vote to break the tie. The board will then vote to fill the officer position.
- 3) Any member filling a vacancy shall serve only the remaining balance of the departing Director's term of office and must otherwise be qualified to be elected a Director under these by-laws.

(e) DUTIES OF DIRECTORS.

- 1) Directors shall represent the entire membership of NYTB, and shall act to fully carry out the purposes of NYTB set forth in Article 2 and shall determine NYTB policy and direction. Directors are empowered to hire an executive director of NYTB to conduct its day to day business and to carry out policies established by the Board of Directors.
- 2) Directors shall approve or disapprove the chairpersons and members of standing committees upon recommendations of the President and may adopt rules regulations for the operation of such committees as they shall from time to time deem necessary.
- 3) It shall be the duty of each director to make every effort to attend each and every board meeting. Should a director fail to attend three board meetings during a twelve-month period, the director may be removed from the board by majority vote of the other directors at a regular or special meeting of the board.

- (f) MEETINGS OF DIRECTORS. An annual directors' meeting shall be held as soon as practicable after the selection of the directors and after Jan 1 of the new year at a time and place designated by the Executive Director and approved by one or more NYTB officers or as determined by the Board. Notification of the annual meeting of directors shall be in writing and mailed to each director not less than ten (10) days prior to the meeting.
- (g) REGULAR AND SPECIAL MEETINGS OF DIRECTORS. There shall be such regular and special meetings of the Board of Directors, as the Board shall determine, pursuant to rules and regulations to be adopted by the Board; provided however, that there shall be not less than three (3) directors' meetings in each calendar year. Regular and special meetings shall be preceded by a written notice mailed to all directors not less than ten (10) days prior to the scheduled date of the meeting.
- (h) PRESENCE AT MEETING. Any one or more members of the Board of Directors, or any committee, may participate in a meeting by conference telephone or similar communications equipment allowing all participants in the meeting to hear each other at the same time. Participation by such means shall constitute presence at a meeting.
- (i) CONSENTS. Any action required or permitted to be taken by the Board of Directors, or any committee, may be taken without a meeting if, prior or subsequent to the taking of such action, all members of the Board of Directors, or of such committee, consented thereto in writing and such written consent or consents are filed with the minutes of the proceedings of the Board of Directors or of such committee at which all members were present and voted.
- (j) APPOINTMENT OF DIRECTORS EMERITUS TO THE BOARD OF DIRECTORS. The Board of Directors of New York Thoroughbred Breeders, Inc. at any organized meeting may appoint Directors Emeritus to The Board of Directors. Such directors Emeritus shall be chosen based on their outstanding service and contributions to NYTB and the thoroughbred industry in general. A Director Emeritus may participate in meetings of the Board of Directors and any standing or special committee, subject to board approval. Directors Emeritus shall enjoy the same privileges of an elected member of the Board of Directors, except the right to vote or hold office.
- (k) ELECTION OF BOARD OF DIRECTORS OF NEW YORK THOROUGHBRED BREEDERS POLITICAL ACTION COMMITTEE (NYTB PAC). The Board of Directors of New York Thoroughbred Breeders, Inc. at the first meeting of each year shall elect the officers of NYTB PAC by a vote of the majority of the members of the NYTB Board of Directors and the NYTB PAC officers shall serve for a term as indicated by the NYTB PAC bylaws.

OFFICERS

ARTICLE 7

At the annual directors' organizational meeting of the NYTB Board of Directors, the NYTB Board of Directors, the NYTB Executive Director shall open the meeting by taking nominations from Board members for the positions of President, Vice-President and Secretary/Treasurer. By a majority vote of the Board's members, the NYTB President, Vice-President and Secretary-Treasurer shall be selected. Each term of office shall be for two years except for those directors whose two-year term on the Board has only one year remaining. The officer-term for those directors shall be one year.

DUTIES OF OFFICERS

ARTICLE 8

In addition to such other duties as may be prescribed in these by-laws or assigned by the Board of Directors, the officers shall have the following duties:

- (a) PRESIDENT: The President shall direct the general policy of NYTB as established by the Board and shall preside at all meetings of the NYTB and the Board of Directors. The President may appoint special committees as deemed necessary.
- (b) VICE-PRESIDENT: The Vice-President shall act as an aide to the President. At the request of the President or in the event of the President's absence or disability, the Vice-President shall perform the duties and possess and exercise powers of the President
- (c) SECRETARY-TREASURER: The Secretary-Treasurer shall keep or cause to have kept the minutes of all duly called meetings, and carry on or cause to have carried on, all correspondence and keep or cause to have kept all records which shall from time to time be directed by the officers. The Secretary-Treasurer shall keep the financial records of NYTB; provide for maintenance of a corporate bank account; prepare all forms and financial reports of NYTB required of its officers by any agency including but not limited to the Department of State, Department of Taxation and Finance, and the Internal Revenue Service; render and collect bills due NYTB and otherwise maintain the financial integrity and stability of NYTB.

COMMITTEES

ARTICLE 9

There shall be two committees of the Board of Directors. The Executive Committee shall consist of the President, Vice-President, Secretary-Treasurer, the NYTB Executive Director, and two additional members of the Board of Directors selected by the Board of Directors. The Executive Committee shall have the authority to transact all business of the association, which cannot be delayed until the next meeting of the Board, provided this authority does not extend to the amendment of these by-laws. There shall also be a nominating committee. The nominating committee shall consist of two Board members selected by the Board of Directors, and at least one (1) member at large. The Nominating Committee shall be charged with nominating an individual to fill a seat on the Board which has been vacated for any reason by a sitting director during his/her term of office. The Nominating Committee will also address any issues arising during the annual the Board election process. By resolution of the Board, additional committees may be formed.

COMPENSATION OF OFFICERS: CONTRACTS WITH OFFICERS, DIRECTORS OR MEMBERS

ARTICLE 10

There shall be no compensation allowed to officer, directors or members for their services; provided, however, that with the approval of the majority of the Executive Committee, expenses incurred on account of NYTB may be paid from the general funds of NYTB. By majority vote of the Board, NYTB may enter into contracts with officers, directors and members, for the purchase or lease of real or personal property of the provision of services to NYTB provided that the Board determines that the contract is fair, reasonable and competitive in terms, conditions, and prices offered to NYTB by unrelated parties.

EXECUTIVE DIRECTOR

ARTICLE 11

NYTB shall have an Executive Director who shall be responsible for its day to day operations and who shall report to the Board of Directors.

FINANCE

ARTICLE 12

The Board of Directors may, by majority vote of the entire Board of Directors, fix annual membership dues. These dues shall be paid to, and collected by NYTB; NYTB is empowered to develop other appropriate sources of income, subject to the approval of the board, including the New York Stallion stakes Series and any other races sponsored by NYTB.

FISCAL PERIOD

ARTICLE 13

The fiscal period of NYTB shall be the calendar year. On or before each March 31, the Treasurer shall mail to each director a written resume of NYTB's financial activity of the previous showing income and the sources thereof, itemized expenditures and disbursements, liabilities and assets, and a short financial projection for the new fiscal year.

PROPERTY, ASSETS AND SURPLUS

ARTICLE 14

Upon dissolution, any assets remaining after the payment of all corporate debts and obligations shall be distributed to an entity with purposes similar to that of NYTB and which has received a determination letter that it is exempt from federal income tax.

ANNUAL MEETINGS

ARTICLE 15

The annual meeting of the membership shall be held at a time and place to be determined by the Board of Directors.

SPECIAL MEETINGS

ARTICLE 16

Such meetings of the membership may be called from time to time to effectuate the purposes of NYTB. Such meetings shall be called by the President on such person's own initiative or upon the request of five or more directors. Special meetings will be preceded by a written notice not less than seven (7) days prior to the scheduled date of the meeting, except for special meetings of the members to amend these by-laws, which shall be on not less than thirty (30) days notice, as specified in Article 18.

Members may be invited to attend any special meetings of directors.

QUORUM

ARTICLE 17

At all meetings of the Board of Directors or any committee of NYTB, six directors or a majority of the members of the committee, as the case may be, shall be necessary and sufficient to constitute a quorum and the act of a majority of the persons present at any such meeting at which there is a quorum shall be sufficient for the transaction of business, except that in the case of the election of officers as provided in Article 7, change in annual membership dues as provided in Article 12 and amendment of the by-laws as provided in Article 18, the affirmative vote of the majority of the entire Board of Directors shall be required. A quorum shall only include NYTB members in good standing.

AMENDMENTS

ARTICLE 18

The Board of Directors by majority vote of the entire Board may amend these by-laws. Members of the Board of Directors shall receive notice of the proposed amendment at least thirty (30) days prior to the amendment meeting, unless the proposed amendment was presented at a previous meeting.

Pursuant to the New York Not-For-Profit Corporation Law Section 602(c), members in good standing, by a majority vote of all those eligible to vote, may amend these by-laws. Members in good standing shall receive notice of the proposed amendment at least thirty (30) days prior to the amendment meeting unless the proposed amendment was presented at a previous meeting.

MINUTES

ARTICLE 19

The written minutes of each meeting of directors shall be mailed to each director within thirty (30) days following such meeting.

EXEMPT ACTIVITIES

ARTICLE 20

Notwithstanding any other provision of these by-laws, no officer, director, employee, member of any committee, agent or representative of NYTB shall take any action or carry on any activity by or on behalf of NYTB, which would jeopardize

NYTB's tax exempt status under the Internal Revenue Code or other similar statute in effect from time to time.

INDEMNIFICATION

ARTICLE 21

- (a) To the full extent that the Not-for-Profit Corporation Law of the State of New York, as the same exists or may hereafter be amended, permits the elimination or limitation of liabilities of officers and directors, no officer or director of NYTB shall be liable to NYTB or its members for monetary damages for breach of such person's fiduciary duty as an officer or director.
- (b) NYTB shall indemnify each person made or threatened to be made a party to any action or proceeding, whether civil or criminal (including one by or in the right of NYTB), by reason of the fact that such person is or was an officer or director of NYTB, or while an officer or director served at the request of NYTB any other entity in any capacity; against judgments, fines, penalties, amounts paid in settlement and reasonable expenses including attorney's fees, paid or incurred in connection with such action or proceeding, or any appeal therein, provided that no such indemnification shall be made if a judgment or other final adjudication adverse to such person establishes that such person's acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that such person personally gained in fact a financial profit or other advantage to which such person was not legally entitled.
- (c) NYTB shall advance or promptly reimburse upon request any officer or director seeking indemnification hereunder for all expenses, including attorney's fees, reasonably incurred in defending any action or proceeding and advance of the final disposition thereof upon receipt of an undertaking by or on behalf of such person to repay such amount if such person is ultimately found not be entitled to indemnification or, where indemnification is granted, to exceed the amount to which such person is entitled.
- (d) This Article shall be given retroactive effect and the full benefits here of shall be available in respect of any alleged or actual occurrence, acts or failure to act prior to the date of the adoption of this Article shall be prospective only.

CORPORATE SEAL

ARTICLE 22

The seal of NYTB shall have inscribed thereon its name, the year of its organization and the words "Corporate Seal New York". The seal may be used by causing it or a facsimile thereof to be affixed, impressed or otherwise reproduced.