

By-Laws

California Harness Horsemen's Association

ARTICLE I: MEMBERS AND DUES

Section 1 -- CLASSES OF MEMBERS.

California Harness Horsemen's Association (hereinafter referred to as CHHA) shall have two classes of members. The designation of such classes and the qualifications of the members of such classes shall be as follows:

- (a) **Active Members:** Active Members shall be limited to Owners, Trainers, Drivers, or Breeders who are licensed by and in good standing with the California Horse Racing Board. Each Active Member shall indicate his or her primary area of active participation within the harness industry on applying for a new or renewed membership in the Association (i.e., whether an owner, a trainer, a driver, or a breeder). Active Members of CHHA shall have all the rights and privileges of CHHA and shall have the exclusive right to vote at all annual, special, and general meetings of CHHA. No Active Member of CHHA may be an employee, agent, or principal of a racing management, nor may an Active Member have a financial interest exceeding 5% in any racing management or race meet. Such activity is sufficient reason for that member having his or her membership status transferred from that of an Active Member to that of a Contributing Member.
- (b) **Contributing Members:** Contributing Members shall consist of any other individual, firm, partnership, or corporation interested or involved directly in the California Standardbred Industry. Such members are not entitled to voting rights or any insurances (Sulky, Third Party Liability, Fire and Disaster) offered by CHHA, but shall receive all other information published by CHHA. Dues for Contributing Members shall be the same as those for Active Members.

Section 2 -- MEMBERSHIP APPLICATION.

- (a) Each applicant for Active or Contributing Membership/ Membership Renewal shall submit to the Executive Director of CHHA an application, pledging that the applicant will abide by the By-Laws, rules, and regulations of CHHA, and shall provide such additional information as the Executive Vice President shall require to determine classification or status of membership. Such applicants shall state, if the applicant be a corporation, the names of the officers thereof, shareholders, and if affirm name of the member thereof who shall be its representative in CHHA, as well as the place of business. The application shall be accompanied by legal tender in the amount of the annual dues.
- (b) Each membership application shall be reviewed by the Executive Director and may be reviewed by the Board of Directors, if necessary, in order to determine classification or status of membership.

Section 3 -- DATE WHEN DUES ARE PAYABLE.

Dues are payable in advance. Membership may be renewed upon payment of the required annual dues prior to the last day of December each year for the following year. Dues not paid by that time shall be considered delinquent and delinquent members forfeit all rights and privileges of CHHA. A grace period of thirty (30) days will be in effect for membership renewals only. Partial year memberships will be accepted at any time during the year with all rights and privileges effective on the date of payment. Such membership shall be considered a less than full calendar year membership with respect to Article III, Section 4 of these By-Laws.

Section 4 -- SUSPENSION, EXPULSION, RESIGNATION, REINSTATEMENT, AND TRANSFER OF MEMBERSHIP

- (a) Any member maybe suspended or expelled for cause by a two-thirds vote [6] of the CHHA Board of Directors as provided in Article IV, Section 8, of these by-laws.
- (b) Any member may resign by filing a written resignation with the Executive Director of CHHA, but such resignation shall not relieve that member of the obligation to pay any dues, or other charges theretofore accrued and unpaid.

- (c) A member who is under suspension may submit a written request for reinstatement to the Board of Directors and, upon an affirmative vote of two-thirds of the board, and approval of a membership application by the Executive Committee, the membership status of said individual shall be reinstated.
- (d) Membership in CHHA is not transferable or assignable.

ARTICLE II: MEETING OF MEMBERS

Section 1 – ANNUAL MEETING.

- (a) The Annual Meeting of CHHA shall be held during the month of January of each year. The date of the annual Meeting shall be fixed by the President.
- (b) Fifty percent of the Active Members who have paid their dues for that calendar year and are participating at a meeting of CHHA in person or by mail with an official CHHA ballot shall constitute a quorum.
- (c) The business conducted at the Annual Meeting shall consist of, but not be limited to Unfinished Business; New Business; Election of Directors; Adjournment.

Section 2 -- Section no longer in use.

Section 3 -- SPECIAL MEMBERSHIP MEETINGS

- (a) Special membership meetings may be called at any time by the President or Executive Director upon written request of any other officer or any three Directors.
- (b) The presence of fifty percent of the total Active Membership at a special membership meeting shall constitute a quorum.

Section 4 -- NOTICE OF MEETINGS.

- (a) Notice of the annual meeting of the Association shall be mailed by the President or Executive Director to each member not less than ten nor more than thirty calendar days before the date of such meeting, and shall state the time and place thereof.
- (b) Notice of all special membership meetings shall be mailed by the President or Executive Director to each member at least ten days before such meeting, stating the time and place thereof, and the purpose for which the meeting is called. No subject shall be considered at such special membership meeting, except such as is specified in the notice.

Section 5 -- RULES OF ORDER.

All membership meetings and conferences will be governed by Robert's Rules of Order.

Section 6 -- ADJOURNMENT.

At any meeting of the Association when there shall be less than a quorum present, such meeting maybe adjourned from time to time by a majority vote of the Active membership present in person until a quorum shall be present, provided, however, that no adjournment shall be for a period exceeding thirty days at any one time.

ARTICLE III: ELECTION OF THE BOARD OF DIRECTORS

Section 1 -- NUMBER AND TERMS OF OFFICE.

- (a) The Board of Directors shall consist of nine Active Members of CHHA.
- (b) The Board of Directors shall consist of a minimum of six but not more than seven Owner/Breeders, and a minimum of two but not more than three Trainer/Drivers. Active members shall be eligible for director positions that reflect their respective areas of primary participation within the harness Industry. A Driver shall be defined as any person holding a valid United States Trotting Association "A" or "P" license whose primary area of participation within the harness industry entails driving in pari-mutuel harness races. A Trainer shall be defined as any individual holding a valid USTA trainer's License whose primary area of involvement within the harness industry entails the training of Standardbred

horses at an extended pari-mutuel race meet in California. An Owner shall be defined as any person who holds a valid "Owners License" from the California Horse Racing Board and whose primary participation in the harness industry entails the ownership of Standardbred horses that are either in training for or racing at a pari-mutuel harness meet. A Breeder shall be defined as any person whose primary area of participation within the harness industry involves owning or leasing Standardbred horses for breeding purposes.

- (c) The term of office of each director shall be three years.
- (d) Three directors shall be elected at each Annual meeting of CHHA.
- (e) Where there is an election for an office all candidates shall appear on a ballot prepared by the Executive Director. The Executive Director shall announce the number of vacancies occurring in each category. Those receiving the most votes shall be deemed elected.

Section 2 -- VACANCIES ON BOARD OF DIRECTORS.

Any vacancy occurring on the Board of Directors which has occurred for any reason, shall be filled by a majority vote, without regard to vacancies, of the Board of Directors in accordance with the criteria set forth in Paragraph (b) of Section 1 of this Article. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor.

Section 3-- NOMINATIONS.

- (a) Persons wishing to seek a directorship of CHHA must be Active Members whose dues are paid for the following year and shall deliver, in writing (email shall constitute a valid written notification), to the Executive Director of CHHA, a request to be placed on the ballot prior to the fifteenth day of October of the year preceding the election. Incumbents must do the same, but notification of intent to again be a candidate for directorship, shall be given to the Executive Director prior to the fifteenth day of October of the year preceding the election. A person wishing to seek a directorship must be an Active Member of CHHA for one full calendar year before giving notification of their intent to be a candidate for directorship.
- (b) The procedures described in Paragraphs (a) and (b) of this Section are the exclusive methods for nominating candidates for the board of Directors. The nomination of additional candidates at the Annual Meeting is expressly forbidden.
- (c) Each candidate for the office of Director of CHHA shall be notified by the Executive Director into which category he/she is eligible to be a candidate.
- (d) The Executive Director shall prepare a list of all eligible candidates and present it to the Board at their next meeting, and shall also prepare a ballot that contains the names of all candidates, separated into two groups, under the headings "Trainers/Drivers" and "Owners". The names shall be listed alphabetically under each heading and incumbents designated. Instructions on the ballot shall state that each voter shall "Vote for ... Owner/Breeder candidates and ... Trainers/Driver" candidates.
- (e) The Executive Director shall inform each candidate that they may present a typewritten, one-page letter to CHHA's Voting Members prior to the first day December which seeks to set forth his/her position on the issues. Said letter will be copied and distributed to the voting membership of CHHA at the expense of CHHA. Such letter will include a disclosure of any legal or by-blood relationship with any other current board member. For any candidate that does not submit a letter with such a disclosure, the Executive Director will include a note with all voting documents disclosing the relationship.

Section 4 -- ELECTION ROLLS

Only Active Members of CHHA, who have paid their dues in accordance with Article 1, Section 3 of these By-Laws and who, have been Active Members of the Association for the entire calendar year for the year preceding that of election, are eligible to vote.

Section 5 -- METHOD OF VOTING

- (a) An official ballot shall be mailed to each Active Member whose dues are not in arrears prior to the Annual Membership Meeting of each year and who, beginning with the 2007 election, has been an Active Member of the Association for the entire calendar year for the year preceding that of election.

- (b) In addition to the ballot, each mailing shall include an envelope marked, "FOR BALLOT ONLY", a signature card, and an envelope addressed to the CHHA main office. To vote by mail, eligible voters mark their ballots, place the ballot in the envelope marked "FOR BALLOT ONLY", seal the envelope, sign the signature card, place both in the addressed envelope and mail it to CHHA prior to date indicated on the Ballot envelope in advance of the date of the Annual Membership Meeting.
- (c) Upon receipt of the ballot at the main office of CHHA the Executive Director shall open the envelope and securely affix the signature card to the envelope marked "FOR BALLOT ONLY", and then provide secure storage for same until the day of the Annual Meeting.
- (d) On the day of the Annual Meeting the Executive Director shall deliver the ballot envelopes, together with the signature cards, to the Judges of the Election.
- (e) At the Annual Meeting an Active Member eligible to vote who has voted by mail who wishes to change his vote prior to the close of the polls may request a new ballot from the Judges. They shall issue him/her a new ballot any and destroy the old ballot. Active Members eligible to vote who have not voted by mail may obtain a ballot from the judges and vote.
- (f) Active Members who vote at the Annual meeting shall place their ballots in a sealed ballot box provided for that purpose. When the polls are declared closed the judges shall then remove the signature cards from the mailed in ballots and place them in the ballot box.
- (g) After the polls are declared closed the judges shall open the ballot box and count the ballots to determine the winners. All candidates may observe the count or may designate another Active Member to act in his/her behalf.
- (h) The candidates receiving the most votes shall be declared the winners of the election. In the event of ties, the judges shall inform those who are tied and a tie breaking procedure shall be determined. Any procedure satisfactory to the candidates who are tied is acceptable. In the event the candidates cannot agree on a procedure the Judges will flip a coin.

Section 6 -- JUDGES OF THE ELECTION.

- (a) At the regular meeting of the CHHA Board of Directors immediately preceding the Annual Meeting present shall appoint two active members to act as Judges of the Election none of who are candidates in the election. One of the two Judges shall be a member of the CHHA Board of Directors.
- (b) The judges of the election shall have the power to disqualify any ballot or ballots that have been marked for more than the appropriate number of candidates for Owner/Breeder, or more than the appropriate number of candidates for Trainers/Drivers, or those not accompanied by a signed signature card. A ballot marked for less than the appropriate number of Owners/Breeders and/or Trainers/Drivers is a valid ballot and shall be counted.

Section 7 -- RETENTION OF BALLOTS.

The Executive Director shall keep all ballots in a secure place after the election at least until the officers of CHHA have been elected.

ARTICLE IV: BOARD OF DIRECTORS

Section 1 -- POWERS.

The Board of Directors shall have the authority to exercise full power in the management and control of the business and affairs of the Association. All meetings will be conducted under Robert's Rules of Order.

Section 2 -- ANNUAL MEETINGS OF BOARD OF DIRECTORS.

The annual meeting of the Board of Directors shall be held immediately following the annual meeting of the Association.

Section 3 -- SPECIAL MEETINGS OF BOARD OF DIRECTORS.

Special meetings of the Board of Directors maybe called at anytime by the President or Executive Director and shall be called by him upon the written request of any other Officer or of any two Directors.

Section 4 -- NOTICES.

Notices of meetings of the Board of Directors shall be either written and mailed by the Executive Director to each director seven or more days before such meeting, or shall be given by telegram sent forty eight hours or more before such meeting, and shall be given by telegram sent forty-eight hours or more before such meeting, and shall state the time and place and purposes thereof. No item of business other than those stated in the notice of meeting may be acted upon at any meeting without the approval of three-fourths of the Directors present.

Section 5 -- QUORUM.

A quorum shall consist of a majority of the Board of Directors. Less than a quorum shall have power to adjourn any meeting until a quorum be present.

Section 6 -- REPORTS.

The Directors shall present, at the annual meeting of the Association, a report, verified by the President and Treasurer, or by a majority of the Board of Directors, detailing the activities of the Association during the previous year and showing the whole amount of real and personal property owned by it, where located, and where and how invested, the amount and nature of the property acquired during the fiscal year immediately preceding the annual meeting and the manner of acquisition; the amount applied, appropriated or expended during the year, and the purposes, objects or persons to or for which such applications, appropriations or expenditures have been made: and the names and places of the persons who have been admitted to membership during the year, which report shall be filed with the records of the Association.

Section 7 -- CONSTRUCTION OF BY-LAWS

The Board of Directors shall determine the construction to be placed on these By-Laws or on any part thereof which may be in conflict or doubtful meaning.

Section 8 -- SUSPENSION AND EXPULSION.

- (a) The Board of Directors, by a two-thirds vote, shall have the power to remove any Officer of the Association for cause, to suspend or expel any Member for non-payment of dues or other indebtedness by him to the Association, and to reprimand, suspend or expel any Member guilty of any violation of these By-Laws or whose racing license has been suspended or denied by any state racing commission or who has been suspended or expelled from membership in the United States Trotting Association.
- (b) A copy of the charges, preferred against any officer or Member shall be served upon him at least ten days before the meeting of the Board of Directors at which such charges shall be considered, together with a notice of the time and place of the meeting, at which meeting he shall have an opportunity to be heard and to present evidence in his defense.
- (c) The determination of the Board of Directors as to the sufficiency of the cause for removal or suspension shall be final.
- (d) When a member of the Board of Directors is absent from three consecutive duly noticed meetings of the board, or is absent from four duly noticed meetings during a single calendar year, that Director shall be considered to have automatically resigned from the Board effective at the adjournment of the third or fourth said meeting, respectively, unless otherwise ruled by the Board of Directors.

Section 9 -- INFORMATION BY BOARD.

Any action required by law to be taken at a meeting of the Directors, or any action which may be taken at a meeting of the Directors, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors.

Section 10 -- FIDUCIARY INTEREST.

A Director may hold no more than 5% of the shares of any and all harness racing association(s). Further, at any given no more than a total of three, or 33%, of CHHA's nine board members shall be permitted to hold stock in any and all licensed California harness racing associations.

ARTICLE V: OFFICERS

Section 1 -- TITLES OF OFFICERS.

The officers of the Association shall be a President, a Vice President, and a Treasurer. One person may not hold more than one of the above offices.

Section 2 -- ELECTIONS.

The Officers shall be elected by the Board of Directors. Each officer shall hold office until the next annual meeting of the Board of Directors, and until his successor shall be elected and qualify. Officers may, but need not be Directors.

Section 3 -- VACANCIES.

Vacancies in any office may be filled at any meeting of the Board of Directors.

Section 4 -- PRESIDENT.

The President shall be the Chief Executive Officer of the Association. The President shall preside over meeting of the Board of Directors and shall be entitled to vote on matters only in case of a tie. Unless otherwise determined by the Board of Directors, he shall be ex-officio member of all committees and shall be entitled to vote only in case of a tie. He shall preside at all other meetings of the members. He shall have power to execute on behalf of the Association any deed, bond, contract, obligation, or other instrument which may be required in the ordinary conduct of the affairs of the association or which may be authorized by the Board of Directors.

Section 5 -- VICE PRESIDENT.

In the absence of the President or in the event of his inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all restrictions upon the President. The 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 6 -- TREASURER.

The Treasurer shall have power to collect, receive, deposit, invest, and disburse the funds of the Association as directed by the Board of Directors. He shall keep regular books of account and shall submit such account of his acts as Treasurer and of the financial condition of the Association as the Board of Directors may from time to time require.

Section 7 -- HORSEMEN'S REPRESENTATIVE.

The board annually (in March or April) will elect one of its members to be the "Horsemen's Representative" for a 12- month period from September to the following August. The duties include being a liaison for the horsemen to the race office, stewards and backside management. The board will decide annually the compensation, if any, for this position.

ARTICLE VI: EXECUTIVE DIRECTOR

Section 1 -- EXECUTIVE DIRECTOR.

The Executive Director shall keep the minutes or a motion log of all meetings of the Membership and of the Board of Directors in hard copy, and shall, when required by law or these By-Laws, give notice of all meetings of the Members and Directors. He shall have custody of the Seal, the Association books, and the correspondence

of the Association, and of its records other than financial records. He shall have the authority to execute any deed, bond, or lease on behalf of the association under direction of the Board of Directors. He shall have the authority to direct the association's affairs in the State Capitol.

ARTICLE VII: COMMITTEES

Section 1 -- STANDING COMMITTEES.

At the annual meeting of the Board of Directors, the President with the consent of the Board of Directors shall appoint the following standing committees for a one year term: 1. Executive Committee; 2. Finance Committee.

Section 2 -- EXECUTIVE COMMITTEE.

- (a) The Executive Committee shall be composed of the President of the Association, the Executive Director, and two other members of the Board of Directors.
- (b) The Executive Committee shall have the responsibility of formulating plans and policies that support the goals of the Association and to make recommendations to the Board of Directors on the methods and means to be used in the implementation of these plans and policies.
- (c) The Executive Committee shall review all membership applications in accordance with Paragraph (b) of Section 2 of Article I of these By-Laws and shall act in accordance with the election procedures described in Paragraph (c) and (d) of Section 3, of Article III of these By-Laws.

Section 3 -- FINANCE COMMITTEE.

- (a) The Finance committee shall be composed of the President of the Association, the Executive Director, the Treasurer, and one additional member of the Board.
- (b) The Finance Committee shall review the financial policy of the Association, prepare and maintain an annual budget, and approve all expenditures of the Association outside of normal business expenses.

Section 4 -- OTHER COMMITTEES.

Such other committees as may seem desirable shall be appointed from time to time and shall be assigned such powers and duties as may be advisable.

ARTICLE VIII WAIVER OF NOTICE

Section 1 -- WAIVER OF NOTICE.

A meeting may be held without call, notice, lapse of time or other prerequisite upon written waiver of notice signed by each person entitled to notice and stating the time and place of such meeting. The presence at any meeting of a person or persons entitled to notice thereof shall be deemed a waiver of notice by such person or persons.

ARTICLE IX: SEAL

Section 1 --THE SEAL.

The seal of the Association shall be circular in form and shall have inscribed thereon: "CALIFORNIA HARNESS HORSEMEN'S ASSOCIATION, CALIFORNIA."

ARTICLE X: AMENDMENT

Section I -- AMENDMENTS TO BY-LAWS.

These By-Laws may be amended, added to, altered or repealed, in whole or in part, by a majority vote of the Directors at any meeting of the Board of Directors.

ARTICLE XI: FISCAL YEAR

Section 1 -- FISCAL YEAR.

The fiscal year of the Association shall begin on the first day of July of each year and end on the last day of June of the following year.

ARTICLE XII: BOOKS AND RECORDS

Section 1 -- BOOKS AND RECORDS.

The Association shall keep correct and complete books and records of account and shall also keep minutes or a motion log of the proceedings of its Board of Directors and shall keep the main office of the Association, a record giving the names 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 proper purpose at any reasonable time.

ARTICLE XIII: CONTRACTS, CHECKS, DEPOSITS AND FUNDS.

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 enter into any contract or execute and deliver any instrument in the name of on behalf of the Association, and such authority shall be confined to specific instances.

Section 2 -- CHECKS, DRAFTS, ETC.

All checks, drafts or orders for the payment of money, notes 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 Executive Director and countersigned by the President or Treasurer of the Association. Any check over \$5000 shall require a second signature of an officer designated by the Board of Directors.

Section 3 -- DEPOSITS.

All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Executive Director, with the approval of the Board of Directors may select.

Section 4 -- GIFTS

The Board of Directors may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association.

ARTICLE XIV: MASCULINE AND FEMININE GENDER

Section 1 -- MASCULINE AND FEMININE GENDER

Wherever the masculine gender is used in these By-Laws it shall be interpreted to include the feminine gender.