

**081224 Revision 5**

**Adopted February 15, 1997**

**Amended Oct 8, 2007 / Apr 23, 2008 / Nov 26, 2011 / Dec 4, 2016 / Feb 7, 2019 / June 11, 2020**

BYLAWS

OF THE

MEADOWS STANDARD BRED OWNERS ASSOCIATION

ARTICLE I

General

Section 1. Name. The name of the organization will be THE MEADOWS STANDARD BRED OWNERS ASSOCIATION (the “Association”).

Section 2. Offices. The Association will maintain an office at The Meadows racetrack, Meadow Lands, PA, Pennsylvania (the “Meadows”). The Association may also have offices at such other places as its Board of Directors may from time to time determine.

## ARTICLE II

### Purposes

Section 1. Purposes. The Association was incorporated under the Nonprofit Corporation Law of the Commonwealth of Pennsylvania for the following purposes:

- (a) To promote the sport of harness racing and the best interests of its members as horsemen in general, as well as in regard to the Meadows in particular;
  
- (b) To provide effective representation of the members in regard to the Meadows, including without limitation:
  - (i) negotiating contracts with licensed racing Associations conducting harness racing meets at the Meadows;
  
  - (ii) furnishing appropriate grievance procedures; and
  
  - (iii) maintain~~ing~~g channels of communications between the members and the licensed racing Associations conducting harness racing meets ~~and~~-at the Meadows;

(c) To monitor, propose, sponsor, encourage and otherwise promote legislation beneficial to harness racing in general, as well as harness racing at the Meadows in particular;

(d) To encourage and otherwise promote public interest in and to maintain public confidence in harness racing in general, as well as harness racing at the Meadows in particular; and

(e) To conduct any and all other lawful business or activities which are incidental to and designed to promote the foregoing, or any of them which may be conducted by a Not-for-Profit corporation under the laws of Pennsylvania.

### ARTICLE III

#### Seal

Section 1. Seal. The corporate seal of the Association shall have inscribed thereon the name of the Association, the year of its organization and the words, “Corporate Seal, Pennsylvania.” Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner ~~reproduced~~, **reproduced**, such impression, affixation or reproduction to be attested by the signature of the Secretary or Treasurer of the Association.

## ARTICLE IV

### Membership, Voting Rights

#### Section 1. Eligibility for Membership, and Voting Privilege Rights

(a) All owners, trainers and drivers who are engaged in the sport of harness racing will be eligible for membership in the Association **and be entitled to vote (subject to Section 1 (b) and Section 2 below)** if they are:

- (i) a member in good standing of the United States Trotting Association;
- (ii) a holder of ~~an~~ **a Pennsylvania** Owner's, Trainer's, or Driver's ~~Pennsylvania~~ Harness Racing License; and
- (iii) an owner, trainer or driver of any horse that was entered in a harness racing event conducted at the Meadows during the current or preceding racing season.

~~—————(b) All members, except as set forth in paragraph (d) of this Section, other than Associate Members and Honorary Members as described in paragraphs (d) and (e) below shall be entitled to vote by reason of their membership.~~

(b) For purposes of this Article IV, in order to be eligible to vote an owner must meet all other requirements and own the equivalent of the ownership of one horse. By way of example, if an owner owns 50% of 2 horses or 25% of 4 horses the owner would be eligible to vote.

(c) Only members, and other individuals employed at or otherwise supporting the Meadows racetrack as determined in the discretion of the Board of Directors, shall be eligible to participate in any insurance or other benefit program sponsored and/or paid for by the Association.

(d) Other interested individuals (grooms, spouses of owners, ~~trainers, drivers,~~ etc.) shall be eligible for **non voting** membership as an Associate Member. The Board of Directors may also recommend that the Association grant an Honorary **non voting** membership to any individual, subject to approval of the members at any regular **or** special meeting.  
~~Associate Membership and Honorary membership shall be non-voting.~~

(e) All members, including **Associate and Honorary** members, shall be entitled to receive any notices, newsletters or other material distributed by the Association.

- ~~(i) — in order to be eligible to vote an owner must meet all other requirements and own the equivalent of the ownership of one horse~~
- ~~(ii) — by way of example, if an owner own 50% of 2 horses or 25% of 4 horse the owner would be eligible to vote~~

Section 2. Application for Membership.

(a) Membership is conditioned upon:

- (i) ~~the review and confirmation of eligibility by the Membership Committee of the current eligibility upon of eligibility application for membership in the Association,~~
- (i) an agreement to be bound by the Bylaws and regulations of the Association as in effect from time to time, and
- (ii) payment of such fees and dues, if any, as shall have been prescribed by the Board of Directors of the Association.

(b) Applications for membership in the Association shall be made in such form and shall contain or be accompanied by such information regarding the applicant as the Membership Committee may from time to time prescribe.

(c) Each completed application for membership shall be submitted to the Membership Committee. The Membership Committee shall review such application and shall confirm the eligibility of the applicant and the applicant's compliance with the conditions under ~~Article IV Section 1 and Section 2 subparagraph (i) and (ii) of paragraph (a) of this Section to the Board of Directors~~ ~~above.~~

(d) Upon such confirmation of an application for membership, the Board shall admit such applicant as a member.

Section 3. Registration-Resignation of Membership. Any member may resign from membership in the Association upon prior written notice to the Association addressed to it at its principal office. ~~or to the President or Secretary. Such notice shall specify the date such~~ Resignation ~~is to~~ shall become effective, upon receipt.

Section 4. Suspension and Termination of Membership.

(a) ~~If a A member shall be immediately is suspended hereunder for failure to comply with any of the eligibility requirements set forth in Section 1(a) hereof, or for failure to pay fees and dues as and when required by Section 2(a) (ii) hereof. Such suspension shall automatically end and such member shall be automatically reinstated upon the termination of the condition that resulted in the suspension if the fees or dues are paid within thirty 30 days of notice that such delinquency exists. Following said thirty (30) days the suspension converts to termination. A member terminated under this section may reapply for membership but the previous failure to pay fees or dues is considered sufficient reason to reject the application.~~

(b) For matters other than ~~described in Section 4 (a) above (a) including repeated failures to pay fees or dues,~~ a member of the Association may be suspended or expelled ~~have his or her membership terminated from the Association by vote of greater than 80 75 % of the not less than eight a majority of the members of the Board of Directors, provided that such action may only be taken a member may be suspended or expelled only~~ after reasonable notice to

~~the member and an opportunity to be heard by the Board of Directors and only for a reason that would constitute a proper reason for rejection of the application of the member under Section 1 or Section 2(a)(ii) or (iii) hereof.~~ **the violation of the Bylaws or Regulations of the Association or for any other reason that would constitute cause for rejection of the member's application for membership.**

~~————— (e) ——— Upon voting to expel or suspend any member from the Association, the Board of Directors shall promptly give written notice to the ~~suspended or~~ expelled member setting forth the date on which the expelled member's membership shall terminate or be ~~suspended or terminated~~ and the reasons for such termination or suspension, ~~provided however, that such notice shall not affect the effective date of the suspension or termination.~~~~

(c) Any such ~~termination or suspension,~~ **suspension or termination** other than **suspension** for non-payment of dues, may be appealed by such member ~~by delivery~~ within thirty (30) days after ~~notice of the effective date of such suspension or termination by delivery~~ such ~~termination or suspension~~ of a written request **addressed to the Association with copies to the President and Secretary of the Association.** ~~for a hearing before the membership at a regular or special meeting, to be conducted pursuant to Article V. The~~ **which hearing appeal to the Board of Directors** shall be scheduled by the President within ~~thirty (30)~~ **sixty (60)** days after ~~delivery~~ receipt of such notice. **The appeal shall not delay the effective date of the suspension or termination.**

~~————— Section 5. Nontransferability of Membership. Membership in the Association shall not be transferable or assignable, whether by sale, merger, consolidation or otherwise.~~

Section 5. Nonliability of Members for Liabilities of the Association. No member of the Association shall be individually liable to creditors of the Association for any indebtedness or liabilities of the Association, and any and all creditors of the Association shall look only to the assets of the Association for payment of any such indebtedness or liabilities.

## ARTICLE V

### Meetings of Members

#### Section 1. Annual and Quarterly Meetings.

(a) The members shall have one annual and three ~~other~~ quarterly ~~and such other regular~~ meetings as shall be established by the Board of Directors from time to time.

(b) The annual meeting of the members shall be held for the purpose of receiving the President's report for the current fiscal year and the proposed budget for the ~~succeeding~~ **next** fiscal year, election of Directors and for the transaction of such other business as may properly come before the meeting. ~~and~~ **The annual meeting** shall take place at such time and on such date between ~~September~~ **November** 1 and December 15 as may be designated by the Board of Directors.

#### Section 2. Special Meetings.

(a) Special meetings of the members may be called at any time by the ~~President or 2/3 of the members of the~~ Board of Directors ~~or by the President or, in the case of the death, absence, incapacity or refusal of the President, by any Director upon the written request of any three Directors,~~ or upon the written request of at least ten percent (10%) ~~twenty five percent (25%)~~ of the members.

(b) Any such request shall state the purpose or purposes for which the requested meeting is to be called in the form of a proposed agenda.

(c) Business transacted at special meetings, or any properly reconvened meeting of a properly adjourned special meeting, shall be confined to the purpose or purposes for which the meeting was called and matters germane thereto.

Section 3. Place of Meetings. Annual, quarterly, ~~regular~~ and special meetings of the members shall be held at such place as may be designated from time to time by the Board of Directors.

Section 4. Notice of Meetings.

(a) Except as otherwise provided by law, the Articles of Incorporation or these Bylaws, a written notice of every meeting of the members stating the place, date and hour of the meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each member entitled to vote at such meeting by delivering such notice to such

member or by mailing it, postage prepaid, or electronically in either case directed to such member at such member's address as it appears on the records of the Association.

~~(b) In case of a special meeting, or a meeting at which the termination or suspension of a member is to be heard by the membership, the purpose or purposes for which the meeting is called shall be included in such notice. In the case of the annual meeting, the proposed budget for the succeeding fiscal year shall be included with such notice.~~

(b) A written waiver of any such notice, signed by the member entitled to receive such notice, whether before or after the time specified therein, shall be deemed equivalent to such notice. Neither the business to be transacted at, nor the purpose of, any meeting of the members need be specified in any written waiver of notice. Attendance of a member at a meeting of the members shall constitute a waiver by ~~it~~ the member of notice of such meeting, except, when such member attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

(d) When a meeting of the members is adjourned and rescheduled, ~~to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken, unless the adjournment is for more than thirty days, in which case a notice of the adjourned~~ rescheduled meeting shall be given to each member entitled to vote at the ~~adjourned~~ rescheduled meeting. This requirement shall not apply to the Association's annual meeting which may only be adjourned and rescheduled to the

following day. Notice of the ~~rescheduling~~ rescheduled annual meeting need only announced at the time the annual meeting is adjourned.

#### Section 5. Quorum.

(a) At any meeting of the members, the presence of the lesser of forty (40) members or of members entitled to cast at least ten percent (10%) of the votes which all members are entitled to cast at such meeting shall constitute a quorum for the transaction of business.

~~(b) A member entitled to vote shall be deemed to be present if represented at any meeting by a duly authorized~~

(b) If a quorum shall not be present at any meeting of the members, **other than the Annual meeting**, a majority of members entitled to vote there present may adjourn the meeting from time to time until a quorum shall be present. ~~No meeting at which Directors are to be elected may be adjourned, other than from day to day.~~

#### Section 6. Voting.

(a) Only members in good standing shall be entitled to vote in person ~~or by proxy~~ at any meeting.

(b) The determination of any question to come before any meeting of the members will be by written ballot unless voice voting is requested by a member entitled to vote thereon and such request is adopted by a majority of the members present and voting at the

meeting.

(c) Every member entitled to vote at a meeting of the members or to express consent ~~of~~ or dissent to action of the Association in writing without a meeting may not authorize another to act for it by proxy. ~~No proxy shall be valid after eleven (11) months from its date. Every proxy must be a written proxy and must be filed with the Secretary of the Association prior to or at the meeting. Every such proxy will be revocable at will, upon written notice of such revocation to the Secretary of the Association prior to or at the meeting; upon execution and delivery to the Secretary prior to or at the meeting of a subsequently dated proxy; or by voting in person at the meeting.~~

(d) The acts authorized by a majority of the votes entitled to be cast by those present at a meeting at which a quorum is present shall be the acts of the members, except as may be otherwise specifically provided by law, the Articles of Incorporation or these Bylaws.

#### Section 7. Conduct of Meetings.

(a) The President shall preside over all meetings of the membership. In the absence of the President, the Vice President shall preside ~~(or the Vice Presidents in the order of their election, if two or more)~~ and in the absence of both all of the above, a chairman of the meeting shall be elected by the membership from any Board member present, or any other member if no Board member is present, shall preside over such meeting of the membership.

(b) The Secretary shall keep minutes of each meeting of the membership. An

Acting Secretary, ~~which may be the Administrative Director~~, as designated by the **President**, shall keep minutes in the absence of the Secretary. ~~or if otherwise directed by the Secretary~~. The minutes of each meeting shall be made available after approval by the Board to all interested members within a reasonable time thereafter.

(c) In **the** discretion of the Board of Directors prior to any meeting, such meeting may be conducted in accordance with the Robert's Rules of Order.

Section 8. Record Date. The Board of Directors may fix in advance a ~~times~~, **time which shall** be not more than thirty (30) nor less than ten (10) days before the date of any meeting of the members, as the record date for determining the members having the right to receive notice of and to vote at such meeting or any adjournment thereof, and in such case only members on such record date shall have such right. If no record date is fixed, the record date for determining the members having the right to receive notice of and to vote at a meeting of the members shall be at the close of business on the day ~~next~~ preceding the day on which such notice is given.

Section 9. Membership Approval. The Association will not become affiliated with or make contributions to any other horsemen's representative organization without prior approval of the members at a duly called and noticed meeting. ~~after recommendation by the Board of Directors~~. For the purposes hereof, the term "horsemen's representative organization" shall mean an organization recognized as representing or seeking to represent the majority of horsemen racing at a single racetrack. Nothing contained herein shall be deemed to preclude the Association from making contributions to or becoming affiliated with organizations to which two or more other horsemen's representative organizations belong or are otherwise affiliated.

Section 10. Adoption of Budget. The proposed budget presented at the annual meeting shall become the budget of the Association for the ~~succeeding~~ next fiscal year, after approval by a majority of the members present at the meeting and entitled to vote.

## ARTICLE VI

### Board of Directors

Section 1. Powers. The business and affairs of the Association shall be managed by a Board of Directors, which shall have and may exercise all of the powers of the Association, except such as by law, the Articles of Incorporation or these Bylaws are conferred upon or reserved to the voting members.

### Section 2. Numbers and Qualifications.

(a) The Board of Directors shall consist of nine (9) Directors, all of whom shall ~~be~~ ~~members~~ have been active members of the Association for the previous three years and must be a Pennsylvania resident for the previous three years. Pennsylvania residency shall be established by presentation, ~~on request of an Association representation~~ of a valid Pennsylvania Drivers license or Pennsylvania Vehicle Registration and Pennsylvania State Income Tax Returns showing the previous three (3) years of permanent domicile in Pennsylvania.

(b) Four (4) Directors shall be licensed trainers or drivers (Trainer/Driver Directors) who must be actively and for at least 2 years prior to election be training or driving horses for persons other than his/her spouse or children ~~and has done so during the two year period prior to the election~~ and five (5) Directors shall be owners who have not driven with the exception of amateur or qualifying races or trained ~~thirty (30) or more programmed starts in the prior calendar year~~ horses during the two year period prior to the election for anyone other than his or her spouse or children.

### Section 3. Manner of Election.

(a) Directors shall be elected by the membership at its annual meeting ~~and shall begin their term in office immediately upon election.~~ at the first regular meeting after the election.

(b) ~~To be eligible for reelection, incumbent~~ Incumbent Directors shall show intent, in writing, ~~45 calendar day prior to the election~~ to be included on the Ballot.

(c) Members may make additional nominations by presentation of a petition signed by no fewer than twenty-five (25) current members to the Secretary not less than thirty-five (35) days prior to the annual meeting.

### Section 4. Classification of Elected Directors.

(a) The Directors of the Association shall be divided into three tri-annual classes, ~~with two classes consisting of two Owner Directors and one Trainer/Driver Director and one class of two Trainer/Driver Directors and one Owner Director.~~

~~(b) — At the annual meeting of the membership in 2007, Directors shall be  
) — At the annual meeting of the membership in 2007, Directors shall be  
At the annual meeting of the membership in 2007, Directors shall be  
elected for a term of three (3) years from the eligible nominees for Owner Directors and  
Trainer/Driver Directors as follows:~~

~~———— Six (6) Directors will stand for election, three (3) for a 2 year term. The three (3)  
Directors to be elected for 3 year terms shall consist of two (2) Owners Directors and one (1)  
Trainer/Driver Director. The three (3) Directors to be elected for 2 year terms shall consist of  
one (1) Owner Director and Two (2) Trainer/Driver Directors.~~

~~———— (c) — At the annual meeting of the membership in 2008, Directors shall be  
elected for a term of three (3) years from the eligible nominees for Owner Directors and  
Trainer/Driver Directors as follows:~~

~~———— Two (2) Owner Directors  
———— One (1) Trainer/Driver Director~~

(b) The Directors whose terms shall expire each year shall be elected to hold office for a term of three (3) years, so that the term of office of one (1) class of Directors shall expire each year.

~~———— (e) — Within sixty (60) days following the adoption of these By Laws, the  
Board of Directors shall elect by majority vote an Owner Director for a term expiring December  
31, 1997.~~

Section 5. Term. Each Director shall hold office for a term of three (3) years and until his successor is appointed and qualified or until his earlier resignation or removal. Directors may serve an unlimited number of consecutive terms.

Section 6. Resignation and Removal.

(a) All Directors shall be required to attend all regular Board meetings. A director may join the meeting electronically and be considered present at the meeting. In the event any Director is absent from four (4) regular meetings in any calendar year, unless such absences, have been approved or excused in advance by a majority of The Board of Directors, the absent director shall be considered to have resigned from the Board effective the adjournment of the 4<sup>th</sup> missed meeting.

(b) Any director may resign at any time upon written notice to the Association addressed to it at its principal office or to its President or Secretary. Any such resignation shall become effective at the time or upon the happening of the condition, if any, specified therein or, if no such time or condition is specified, upon its receipt.

(c) Directors may be removed only by vote of a majority of the members of the Association at a duly called and noticed meeting.

Section 7. Vacancies.

(a) A vacancy in ~~on~~ the Board of Directors, ~~whether~~ resulting from ~~the~~ death, resignation, removal or any other cause, shall be filled ~~until the next regular election~~ by a majority ~~vote~~ of the Directors then in office. If the vacancy results in ~~only~~ four (4) Owner Directors, an Owner Director shall be ~~appointed,~~ elected and if the vacancy results in ~~only~~ three (3) Trainer/Driver Directors, a Trainer/Driver Director shall be appointed. ~~Should the Directors fail to fill the vacancy, the President in his or her sole discretion shall ~~do so~~ appoint a Director within 48 96 hours of the close of the meeting at which the Board fails to do so. The Director so elected or appointed shall serve out the remaining term of the Director for whom he/she replaced.~~

~~—————(b) If a majority of the Board of Directors so elect, any vacancy may be filled at any quarterly meeting under the relevant procedures outlined in this Article V for election of Directors at an annual meeting.~~

~~—————Section 8. Annual Initial Meetings. The Board of Directors shall hold an annual ~~initial~~ meeting each year within thirty (30) days following the annual meeting of the membership. at such place as such annual meeting of the membership is conducted.~~

Section 8. Notice of Meetings.

(a) The Board of Directors shall ~~hold 12 monthly regular meetings. meet~~ periodically as determined by a majority of the Board of Directors.

(b) Except as otherwise provided by law, the Articles of Incorporation or these Bylaws, a written or telegraphic notice of each ~~regular~~ meeting of the Board of Directors

stating the place, date and hour of the meeting shall be given either by hand-delivery **or electronically to the email address provided by the Director to the Association at the time of election not less than twenty-four (24) hours fifteen (15) days** before such meeting. ~~to each Director at his residence or usual place of business or by mailing it or by telegram, directed to him at such address as may appear on the records of the Association not less than seventy-two (72) hours prior to such meeting.~~

(c) A written waiver of any such notice, signed by the Director entitled to such notice, whether before or after the time of the meeting specified therein, shall be deemed **to have satisfied the equivalent to such notice requirement.**

(d) Attendance of a Director at a meeting of the Board of Directors shall constitute a waiver by him **or her** of notice of such meeting, except when he **or she** attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is ~~now~~ **not** lawfully called or convened.

#### Section 9. Special Meetings.

(a) Special meetings of the Board of Directors may be called at any time by either the President or, ~~in the case of death, absence, incapacity or refusal of the President, by any Director~~ upon the written request of ~~any~~ three (3) Directors.

(b) Such meetings shall be held at ~~The Association's office at such time as is designated by the President or Board of Directors, The Directors requesting said special meeting as the case maybe.~~ provided, however, that any travel, meal or lodging expenses related to a meeting held without the Commonwealth of Pennsylvania shall not be reimbursed by the Association.

Section 10. Quorum and Voting.

(a) At any meeting of the Directors, the presence in person of a majority of the Directors then in office shall constitute a quorum for the transaction of any business.

(b) Though less than a quorum be present, any meeting may without further notice be adjourned, by a majority of Directors ~~entitled to~~ **entitled to** vote there present, to a subsequent date or until a quorum is present.

(c) When a quorum is present at the beginning of any meeting, the vote of a majority of the Directors then present at such meeting shall be sufficient for the determination of any question that may come before the meeting, unless a larger or different vote is required by law, the Articles of Incorporation or these Bylaws.

(d) Each Director shall have one vote on each and every issue. **A Director must be present to vote. Voting by proxy shall not be permitted.**

Section 11. Action Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all of the Directors then in office consent to such action in writing and such written consent or consents are filed with the minutes or the proceedings of the Board.

Section 12. Conduct of the Meeting.

(a) The President shall preside over all meetings of the Board of Directors and shall act as the Chairman of the Board of Directors. In the absence of the President, the Vice President (~~or the Vice President in the order of their election, if two or more~~), shall preside and in the absence of both ~~all of the above~~, a chairman of the meeting elected by the Directors present shall preside over such meeting of the Board of Directors as Chairman of the Meeting.

(b) One or more of the Directors may participate and vote in any meeting of the Board of Directors through the use of a **telephone conference**, or similar communications equipment by which all of the participating Directors can hear and communicate with each other. Any Director participating by means of such equipment will be considered to be in attendance in person for all purposes.

(c) The Secretary shall keep minutes of each meeting of the Board of Directors. An Acting Secretary, ~~which may be the Administrative Director~~, as designated by the **President Secretary**, shall keep minutes in the absence of the Secretary. ~~or if otherwise directed by the Secretary~~. Such minutes shall be made available to all Directors within thirty (30) days

after such meeting, and will be made available to all members thereafter following approval of the minutes by the Board.

(d) Upon the affirmative vote of the majority of the Directors present at a duly constituted meeting of the Board of Directors, the remainder of such meeting shall be conducted in accordance with the Robert's Rules of Order.

Section 13. Compensation.

(a) Directors shall not be entitled to receive any compensation for serving in such capacity.

(b) ~~Except as provided in Section 9 of this Article,~~ Directors may, in the discretion of the Board of Directors, be reimbursed for their reasonable expenses, if any, in attending meetings of the Board of Directors or of any committee established by such Board, or in attendance of any meeting on behalf of the Association, as directed by the Board of Directors.

(c) No Director ~~or any person related to a Director~~ may serve the Association in any other capacity that would entail the receipt of compensation therefore, other than reimbursement as provided in paragraph (b) of this Section. ~~No person related to a Director may serve the Association in any policy making related capacity, or any position related there to.~~

Section 14. Bonding Requirements.

The Association shall at its expense secure a bond ~~for the faithful performance of his duties for each Director or other~~ ~~for any Director, officer or other designee-employer,~~ who, in his ~~or her~~

capacity as an ~~officer~~, **Director officer or employee** ~~or otherwise~~, has been granted the authority by the Board of Directors to sign checks against or make other dispositions of the Association's funds, **to insure the faithful performance of said activities.**

Section 15. Director Emeritus.

(a) The Board of Directors may by a majority vote bestow on a past director the status of 'DIRECTOR EMERITUS'. To be considered for the honor, a person must have served at least two full terms as an elected director. A Director Emeritus will receive meeting notifications, agendas and minutes and shall be allowed to attend board meetings as a non-voting participant. A Director Emeritus may be elected to committees by the board as a voting member of the committee he serves.

ARTICLES VII

Committees

Section 1. Standing Committees. In order to facilitate the Association's governance and to assist the Board of Directors in discharging its duties and responsibilities, there shall be the following standing committees:

(a) Budget and Audit Committee. This committee shall be responsible for

budgeting, disbursements and formulation of dues policy. The budget committee shall prepare a proposed annual budget which shall be presented to the Board of Directors at least eight (8) weeks prior to the annual meeting. It shall be responsible also for selecting and supervising an auditor to audit the affairs of the Association. This committee shall be prepared or cause to be prepared an audit report for distribution to the members.

(b) Public Relations Committee. This committee shall plan and coordinate identification of the political issues, informational issues and public relations issues which affect the Association members and actions to be taken on their behalf. This committee shall distribute at least four (4) newsletters per year to all of the members.

~~————— (c) Long Range Planning Committee. This committee shall oversee the preparation and modification of long range development plans and the annual implementation plan for the Association; provide information to the Board of Directors on change and trends in the harness racing industry that may influence the modification of the Association's plans or activities, and perform such other duties related to planning matters as may be assigned to it by the Board of Directors or the President.~~

(c) Membership Committee. This committee shall be responsible for approving the form of application for new members, reviewing membership policies, and reviewing and making recommendations to the Board of Directors with respect to applications for membership.

(d) Economic Negotiations Committee. This committee shall be responsible for conducting negotiations on behalf of the Association and its members, **including but not limited to** with ~~the Meadows~~ and any harness racing association conducting harness racing meets at the Meadows as to purse structures and other financial matters.

(e) Social Committee. This committee shall be responsible for planning and arranging any social functions of the Association.

(f) Race and Track Committee. This committee shall, under the general supervision and authority of the Board of Directors, have a primary responsibility for dealing on behalf of the Association with “back-stretch” matters, including but not limited to the following:

- (i) monitoring track conditions;
- (ii) consulting with track management;
- (iii) assisting members with problems;
- (iv) ~~representing members in disputes with judges and/or other~~  
\_\_\_\_\_ officials;
- (iv) meeting with the Race Secretary on a regular basis to effectuate the needed communications between the Association and the race office, and, in particular, to discuss race conditions and purse structures.

- (v) monitor and consult with the track management regarding condition of the backstretch, maintenance level and responsiveness, and other matters affecting horsemen.
- (vi) such other activities not delegated to another standing committee as may promote the best interests of the members and the sport of harness racing; and

~~\_\_\_\_\_ (h) Two Minute Club Committee. This Committee shall serve as the official designee and spokesperson of the Association with the respect to the Two Minute Club and any other organization, including track management concerning the Two Minute Club, its activities, and related matters at the request of the Two Minute Club.~~

~~\_\_\_\_\_ (i) Awards Committee. This Committee shall conduct the annual horse awards program for members of the Association, including obtaining Board approval for categories of awards, criteria for eligibility, and winners selected. The Committee shall also recommend and/or conduct such other awards programs deemed appropriate.~~

~~\_\_\_\_\_ (j) Backstretch and Maintenance Committee. This Committee shall monitor and consult with the track management regarding condition of the backstretch, maintenance level and responsiveness, and other matters affecting horsemen.~~

(g) Bylaws Committee. This Committee shall monitor activities of the Board insofar as they do or do not comply with the Bylaws. As necessary, the Committees will

recommend to the Board of Directors changes proposed by the Bylaws.

~~—————(l) Concession Committee. This Committee oversees the financial status of and recommends policy for the paddock concession.~~

~~—————(m) Fund Raising Committee. This Committee plans and coordinates those fund raising activities deemed by the Board of Directors to be necessary for purposes beyond the normal scope of operational funds.~~

(h) Insurance Committee. This Committee shall monitor and make recommendations concerning the insurance benefit program of the Association. Consultation and coordination with track management, brokers and agents will be conducted as necessary.

(i) Legislative Committee. This Committee shall oversee all activities of the Association relating to the creation or modification of legislation, interaction with members of the legislature, contact with Association members regarding legislation and the legislature, and interaction with other parties in the state on legislative matters. Recommendations will be made to the Board of Directors for approval.

~~—————(p) Purse Committee. This Committee shall monitor the Overnight Purse Account, its income, and its expenses to ensure jointly with track management the highest possible year-round level of purses.~~

~~—————(q) Simulcasting Committee. This Committee shall monitor and analyze all~~

~~simulcasting activity affecting Meadows' horsemen to ensure the maximum income to with the least impact on Meadows' horsemen and their live racing.~~

~~————— (r) — Track Safety. This Committee shall observe track conditions, interact with horsemen, and coordinate, with track management to promote the safest conditions possible for racing at The Meadows.~~

Section 2. Creation and Combination of Committees. The creation of the committees named in these Bylaws shall be discretionary with the Board. If the Board shall determine that any one or more of such committees should not exist, it shall assign the functions of such committee to a new or existing committee of the Association or to the Board of Directors acting as a committee of the whole.

Section 3. Additional Committees. The Board of Directors by resolution, may create one or more additional standing committees or special committees. The authority which the committee shall have and any limitations thereon and the functions which the committee shall discharge shall be set forth in the resolution creating the committee.

Section 4. Powers and Reporting. Each committee shall have and exercise all of the powers and authority granted to it in the resolution creating it or in these Bylaws except that no committees shall have any power to:

- (a) Fill vacancies in the Board or any office;
- (b) Accept, suspend or terminate memberships in the Association;

- (c) Adopt, amend or repeal these Bylaws;
- (d) Prescribe capital contributions, dues, or other membership fees except upon approval of the full Board of Directors; or
- (e) Act on matters committed by these Bylaws or resolution of the Board to another Board committee.

Section 5. Appointment.

(a) Except as specifically provided in the creation of a committee, each committee shall consist of one (1) or more Directors of the Association and such other members (who need not be Directors) ~~as the Board may select.~~ **as is deemed appropriate. All committee members shall be nominated by the President and approved by the Board.**

(b) The members of such committees shall serve at the pleasure of the Board. The President shall ~~select~~ **name** a chairman for each committee. ~~subject to approval by the Board.~~

(c) The President shall be an ex-officio member of all committees.

Section 6. Rules of Conduct. Except as the Board of Directors may otherwise determine, each such committee may make rules for the conduct of its business, but its business shall be conducted in accordance with these Bylaws.

## ARTICLE VIII

### Officers

Section 1. Enumeration. The officers of the Association shall consist of a President, ~~one~~ ~~or more~~ Vice Presidents, a Treasurer and a Secretary, and such other officers as the Board of Directors may from time to time determine, each of whom shall be a Director. A Director may not be elected to more than one office.

### Section 2. Election: Term of Office: Vacancies.

(a) The officers of the Association shall be elected by the Board of Directors ~~at its annual meeting~~ ~~the Board of Directors' Initial Meeting~~ ~~its first regular meeting following~~ ~~the annual meeting of the membership.~~

(b) ~~Subject to Section 4 below,~~ each officer shall hold office ~~until the next election of officers or for so long as said officer remains a Director, whichever is shorter,~~ ~~and until a successor has been duly elected and qualified, or until such officer's earlier death, resignation, or removal.~~

(c) ~~If any office~~ ~~A vacancy in any office~~ of the Association ~~becomes vacant~~ ~~shall be filled~~ ~~until the next Initial Meeting~~ ~~resulting from the Initial Meeting by death,~~ ~~resignation, removal or any other cause,~~ ~~a~~ ~~by a~~ majority ~~vote~~ of the Directors then in office. ~~shall~~ ~~elect an officer to fill such vacancy, and the officer so elected shall hold office and serve until the~~

~~election and qualification of his successor.~~ Should the Directors fail to fill the vacancy, the President shall do so within 48 96 hours of the close of the meeting at which The Board fails to do so. In the absence of the President, the Vice President shall fill the vacancy. In the absence of the President and Vice President the Treasurer shall fill the vacancy. In the absence of the President, Vice President and Treasurer, the Secretary shall fill the vacancy.

(d) Officers may serve for an unlimited number of consecutive terms.

Section 3. Qualifications. The same person may not hold at the same time more than one office.

Section 4. Resignations. Any officer may resign at any time upon written notice to the Association addressed to it at its principal office or to its President or Secretary. Any such resignation shall be effective at the time or upon the happening of the condition, if any, specified therein or, if no such time or condition is specified, upon receipt.

~~Section 5. Removal.~~ Any officer may be removed from office with cause by vote of a majority of the Directors then in office.

Section 5. Duties and Powers. Unless otherwise prescribed by the Board of Directors, the officers ~~designated below~~, subject at all times to these Bylaws and to the supervision and control of the Board of Directors, shall have and may exercise the respective duties and powers set forth below:

(a) The President. The President shall be the chief executive officer of the Association, shall preside at all meetings of the Board of Directors, shall have full parliamentary authority at all meetings, ~~appoint~~ nominate members of all committees and be an ex-officio member of each. The President shall be responsible for recommending individuals to be employed by the Association and shall be responsible for the supervision of all such employees. ~~and, subject to the supervision and control of the Board of Directors or the President, and in the order of their election, shall perform the duties of the President in the absence of the President.~~

(b) The Vice Presidents. ~~President.~~ Each ~~The~~ Vice President shall have and may exercise such of the duties and powers as may be assigned from time to time by ~~the President or~~ the Board of Directors ~~or the President~~, and ~~in the order of their election~~, shall perform the duties of the President in the absence, ~~for any reason~~, of the President.

(c) The Treasurer. The Treasurer shall be the principal financial and accounting officer of the Association. The Treasurer shall have custody and control over all funds and securities of the Association, shall maintain full and adequate accounts of all moneys received and paid by him on account of the Association and, subject to the supervision and control of the ~~President or~~ Board of Directors, ~~and~~ shall discharge all other duties incident to the office of Treasurer. ~~The Treasurer shall perform the duties of the President in the absence for any reason of the President and Vice President.~~

(d) The Secretary. The Secretary shall be the principal recording officer of the Association. The Secretary shall record all proceedings of the meetings of members and of the Board of Directors and of any committee of the Board of Directors and shall discharge all

other duties incident to the office of Secretary. ~~The Secretary shall perform the duties of the President in the absence for any reason of the President, Vice President and Treasurer.~~

~~(e) — General Disbursements.~~

(e) Notwithstanding anything to the contrary herein, no officer of the Association may cause any indebtedness to be incurred or any disbursement of Association funds made or execute any agreement that will result in a disbursement of Association funds, in excess of \$250.00 without the approval and signature of a second officer. Additionally, notwithstanding anything contained to the contrary herein, no officer or officers may cause to be incurred any indebtedness to be incurred or any disbursement of Association funds, or execute any agreement that will result in a disbursement of Association funds, in excess of \$500.00 without prior approval of the Board of Directors.

~~(i) — Each officer, subject to all times to these Bylaws and to the supervision and control of the Board of Directors, shall have and may exercise, in addition to the duties and powers specifically set forth in these Bylaws, such duties and powers as are prescribed by law or as may be prescribed from time to time by the Board of Directors.~~

~~Section 6. Subordinate Officers. The Board of Directors may, from time to time, authorize any officer to appoint and or remove subordinate officers and to prescribe their duties~~

and powers.

~~Section 8. Compensation. Officers shall not be entitled to receive any compensation for serving in such capacity. Officers may, in the discretion of the Board, be reimbursed for their reasonable expenses, if any, incurred in connection with their service to the Association, to the extent previously authorized by the Board of Directors.~~

## ARTICLE IX

### Employees

~~The Board of Directors President, with the approval of the Board of Directors, shall be responsible for employing from outside the boards membership employees being necessary and setting their terms and conditions for employment salaries, expenses, allotments and providing them with job descriptions provided, however, that other than provided for at Article VI Section 13, no director or any person related to a Director may serve The Association in any capacity that would entail the receipt of compensation. The job performance of employees shall be reviewed at least annually with a record thereof placed in the employee's employment file. however. The Board may enter into written employment agreements with employees. provided, however that employees hired under this Article shall serve at the pleasure of the board and may be discharged without cause and without further obligation to the discharge employee.~~

## ARTICLE IX X

## Liability, Indemnification and Insurance

Section 1. Liability. A Director shall not be personally liable for monetary damages for any action taken or failure to take e-any action unless it is determined that the Director's conduct ~~Director has breached or failed to perform the duties of his office under the Director's Liability Act, 42 PA.C.S.A. 8363, and such breach or failure to perform~~ constitutes self-dealing or willful misconduct. ~~or recklessness.~~

## Section 2. Indemnification and Advancement of Expenses Including Attorneys' Fees.

To the fullest extent permitted by law, the Association ~~Corporation~~ shall ~~have the power to~~ indemnify any person who was or is a party or is threatened to be made a party to any ~~threatened,~~ pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was director, officer, employee or agent of the Association ~~Corporation~~, or is or was serving at the request of the Association ~~Corporation~~ as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), liability, loss, judgement, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceedings, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, upon a plea of nolo contendere or equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Association

~~Corporation~~, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Such indemnity shall inure to the benefit of the heirs, executors and administrators of any such person so indemnified pursuant to this Article. The right to indemnification under this Article shall be a contract right and shall include, ~~with respect to Directors and Officers~~, the right to be paid by the Association ~~Corporation~~ the expenses incurred in defending any such proceeding in advance of its disposition; provided however, that, ~~if the Delaware General Corporation Law requires~~, the payment of such expenses ~~incurred by a Director or Officer~~ in advance of the final disposition of a proceeding shall be made only upon delivery to the Association ~~Corporation~~ of an undertaking, ~~by or on behalf of such Director or Officer~~, to repay all amounts so advanced if it shall ultimately be determined that the person indemnified ~~such Director or Officer~~ is not entitled to be indemnified. ~~under this Article or otherwise~~. The Association ~~Corporation~~ may, by action of its Board of Directors, pay such expenses incurred ~~by employees and agents of the Corporation~~ upon such terms as the Board of Directors deems appropriate. Indemnification of, and advancement of expenses to, such person shall be mandatory to the extent that applicable law provides that the Association ~~Corporation~~ may authorize such indemnification and advancement of expenses. Such indemnification and advancement of expenses shall be in addition to any other rights to which those seeking indemnification and advancement of expenses may be entitled to under any law, by law, agreement, or otherwise.

The Association ~~Corporation~~ may, to the fullest extent permitted by applicable law, purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee or agent of the Association ~~Corporation~~ or is or was serving at the request of the Association ~~Corporation~~

as Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Association ~~Corporation~~ would have the power to indemnify such person against such liability under applicable law.

Further, a Director of the Association ~~Corporation~~ shall not be personally liable to the Association ~~Delaware Standardbred Owners Association, Inc.~~ for monetary damages for breach of fiduciary duty as director, except for liability (i) ~~for any~~ from the breach of the Director's duty of loyalty ~~to Delaware Standardbred Owners Association, Inc.~~, (ii) ~~for~~ from acts or omissions not in good faith or which involve international misconduct or a knowing violation of law, (iii) ~~for~~ from any transaction from which the Director derived any improper personal benefit, or (iv) from a breach of the Association's then current Conflict of Interest Policy.

~~For purposes of this paragraph, Director is to be construed pursuant to the expensive definition give in 8 Del.C 102(b)(7)~~

Any repeal or amendment of this article or by changes in applicable law shall, to the extent permitted by applicable law, be prospective only, and shall not adversely affect any right to indemnification or advancement of expenses of a Director or Officer of the Association ~~Corporation~~ existing at the time of such repeal or amendment. In addition to the foregoing, the right to indemnification and advancement of expenses shall be of the fullest extent permitted by the law. ~~General Corporation Law of the State of Delaware or any other applicable law and all amendments to such laws as hereafter enacted from time to time.~~

~~If the Delaware General Corporation law is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a Director of the Delaware Standardbred Owners Association, Inc., shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation law, as so amended.~~

~~————— (a) — Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative or investigative (hereinafter a “proceeding”) and whether or not by or in the right of the Association otherwise, by reason of the fact that he is or was a Director, officer or committee member of the Association or is or was serving at the request of the Association, shall be indemnified and held harmless by the Association to the fullest extent permitted by law, as the same exists or may hereinafter be amended, interpreted or implemented against all reasonable amount s paid or to be paid in settlement, incurred or paid by such person in connection therewith.~~

~~————— (b) — The right to indemnification provided herein shall continue as to a person who has ceased to be a Director, officer or a committee member and shall inure to the benefit of the heirs, executors and administrators of such person.~~

~~————— (c) — The right to indemnification provided herein shall be a right limited to the persons set forth in paragraphs (a) and (b) of this Section and shall not create any rights whatsoever (such as third party beneficiary rights) in any other party.~~

~~—————(d)—— No person shall be entitled to any indemnification under this Section 2 if it is determined that the action taken or failure to take action constitutes self dealing, willful misconduct or recklessness.~~

Section 3. Insurance. The Board of Directors shall ~~use its best efforts to~~ purchase and maintain insurance for the Association on behalf of any person who **is entitled to indemnification here under.** ~~or was a Director, officer or committee member of the Association or is or was serving at the request of the Association, against any liability asserted against or incurred by him in any such capacity, or arising out of his status as such whether or not the Association would have the power to indemnify him against such liability under the provisions of the Pennsylvania Nonprofit Corporation Law.~~

## ARTICLE XI

### Fees and Dues

Section 1. Fees and Dues. ~~Upon the advice of the Budget Committee~~ **The** Board of Directors shall have the power to prescribe such amounts payable, as a condition to becoming or remaining a member of the Association, as it may deem appropriate to provide for the operation of the Association, provided, however, that such amounts shall be uniform as to all non-honorary members.

## ARTICLE XII

### Miscellaneous Provisions

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January in each year and end on the last day of December next following.

Section 2. Distribution of Assets Upon Dissolution. In the event of the dissolution of the Association, any assets remaining after all debts and other liabilities of the Association have been paid or otherwise provided for shall be contributed by the Association, as determined by the Board of Directors, to such other active nonprofit organizations which have as a purpose the support, encouragement and development of harness racing in Western Pennsylvania or the United States.

## ARTICLE XIII

### Amendment to Articles of Incorporation and Bylaws

~~Section 1. Vote. Board of Directors.~~ Except as otherwise provided by law, by the Articles of Incorporation or by these Bylaws, these Bylaws and the Articles of Incorporation, may only be amended, altered, or repealed and new Articles of Incorporation or Bylaws adopted, by the affirmative vote of the ~~seven (7) Directors voting to do so; provided, however, that amendments made under this section can not change the number of Directors, the qualifications~~

~~or their terms of office. majority members entitled to vote thereon, and a majority of the members entitled to vote thereon who are not licensed trainers or drivers.~~

Section 1. Membership. These by laws may be amended by a vote at a Membership meeting provided that notice for said meeting advises the membership that a vote will be taken and that both the existing by laws and the proposed ~~by us~~ by laws are contained therein. For the amendment(s) to become effective the amendment(s) must be approved by a majority of members entitled to vote thereon, and a majority of the members entitled to vote thereon, who are not licensed trainers or drivers.

Section 2. Notice. Notice of any proposed amendment or alteration of the Articles of Incorporation or these Bylaws by the Directors stating the substance of such proposal shall be given to all members entitled to vote not later than the time when notice is given of the meeting of the members next following such adoption of the proposal by the Board of Directors.

Section 3. Ballots. Such vote on an amendment to or alteration of the Articles of Incorporation or these Bylaws shall be conducted with a written ballot.

# CONFLICTS OF INTEREST POLICY

## **Article I** **Purpose**

The purpose of the conflict-of-interest policy is to protect this tax-exempt organization's (Organization) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

## **Article II** **Definitions**

### **1. Interested Person**

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

### **2. Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

## **Article III** **Procedures**

### **1. Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all

material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

## **2. Determining Whether a Conflict of Interest Exists**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, her/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

## **3. Procedures for Addressing the Conflict of Interest**

a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

## **4. Violations of the Conflicts of Interest Policy**

a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**Article IV**  
**Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing boards or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

**Article V**  
**Compensation**

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

**Article VI**  
**Annual Statements**

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**Article VII**  
**Periodic Reviews**

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects: Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

**Article VIII**  
**Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.