

# BY-LAWS OF COLORADO HORSE-RACING ASSOCIATION

(As amended March 3, 1998 and December 9, 2015.)

## ARTICLE I

### Definitions

- 1.0 **Owner.** An owner of horses, as referred to in these By-Laws, is a person, corporation or other entity licensed as an owner in Colorado.
- 1.1 **Trainer.** A trainer, as referred to in these By-Laws, is a person who is licensed as a trainer in Colorado and has one or more horses under his direct supervision and control for racing purposes in Colorado.
- 1.2 **Principal Office.** The principal office of the corporation shall be located in Colorado, and in the County designated by the Board of Directors of the Association. The corporation may have such other offices as the Board of Directors may designate, or as the business of the corporation may require from time to time. The registered office, as provided in the Articles of incorporation, need not be identical with the principal office of the corporation.
- 1.3 **Fiscal Year.** The fiscal year of the corporation shall begin the first day of January and end on the last day of December in each year.
- 1.4 **Purposes.** The purposes of the association are as follows:
- (a) To advertise, foster and promote the horse racing industry in the State of Colorado, including all facets thereof;
  - (b) To gather and disseminate information concerning horses bred and raised for racing in the State of Colorado;
  - (c) To create, foster and encourage a better business climate for the horse racing industry within the State of Colorado by providing information concerning the industry and its importance to the state as a whole;
  - (d) To cooperate with various state and national agencies and other organizations in order to promote Colorado farms and racing establishments as tourist attractions;
  - (e) To assist, promote and encourage cooperation among breeders, owners and trainers of racehorses in the State of Colorado
  - (f) To institute or aid in any movement that will aid or protect the general welfare of the racing industry, including the interests of breeders, owners, trainers and their employees;
  - (g) To create, establish and maintain funds to promote any of the foregoing;
  - (h) To bring about a closer and more understanding relationship among breeders, owners, trainers, racing associations, racing commissions and the

public;

- (i) To take part and advise with legislative bodies, state agencies, racing associations and racing commissions in the establishment of statutes, directive, proper rules and conditions which affect in any manner the interests of breeders, owners, trainers and their employees;
- (j) To represent the interests and property rights of individuals participating in Colorado horse racing activities in a fair and reasonable manner in dealing with racing associations including, but not limited to:
  - (1) Purse monies;
  - (2) Off-track betting;
  - (3) Simulcasting;
  - (4) Performance rights;
  - (5) Interest on owners' deposits in "horsemen's bookkeeper" accounts;
  - (6) Negotiation of contracts with racing associations
- (k) To promote the establishment of recreation centers for trainers and their employees at Colorado race tracks;
- (l) To work for the improvement of living and working conditions for individuals participating in Colorado horse racing activities and their employees;
- (m) To keep the membership of the association full informed concerning all association business; and
- (n) To maintain accurate financial records of the receipts and expenditures of the corporation.

1.5 **Qualified Race.** A race conducted in Colorado on which pari-mutuel wagering is authorized by law.

## ARTICLE II

2.0 **Powers of Board of Directors.** The Board of Directors shall have the control and management of the business, funds and property of the corporation.

2.1 **Amendments to the By-Laws.** The Colorado Horse-Racing Association may alter or amend these By-Laws or repeal same and replace them with others, all as may be determined by a vote of the majority of those members responding from a mailed ballot to all members of the Association.

2.2 **Use of Corporate Name.** No one, whether a member of the corporation or otherwise, shall be permitted to use the name and prestige of the corporation for his personal benefit, commercially or otherwise, without the express permission of the Board.

- 2.3 **Officer Compensation.** The officers of the corporation shall perform their duties without salary, except as to such officers for which the Board of Directors shall specifically authorize the payment of a salary or of compensation for services rendered.
- 2.4 **Conflict of Interest.** No member who is an officer or director of, or employed by a racing association, racing commission, other association of horsemen, rival racing or other organization involving a conflict of interest, or owner of a beneficial interest in a business operated at a race track, shall be prohibited from serving on the Board of Directors or as an officer of the corporation; provided, however, that any director subject to such a conflict shall not be entitled to participate in or vote on any matter as to which the conflict would affect the judgment of a reasonable man, nor shall any officer with any such conflict represent the corporation with respect to such issue(s). The Board shall make all determinations concerning whether a conflict of interest exists.

## ARTICLE III

### Membership

- 3.0 **Eligibility.** All persons who shall qualify as otherwise provided in these By-Laws and who are interested in the industry, or in any aspect thereof including owning, racing, or training, shall be eligible to be a member of this corporation. There shall be two (2) classes of members: voting and nonvoting. Voting members only shall be eligible to hold office and entitled to vote. Board members and officers shall be residents of the State of Colorado.
- 3.1 **Voting Members.** A Voting member is an owner or trainer of horses as defined in Article 1 of the Colorado Horse-Racing Association By-Laws, who has paid his dues as set by the Board and who grants to the Colorado Horse-Racing Association for the annual membership period the following: (i) the right to contract with any Colorado race licensee for deduction of a percentage from the track's share of pari-mutuel handle and breakage for use by the Colorado Horse-Racing Association in the administration of a backstretch health and welfare program including administrative expenses, payments to or on behalf of backstretch personnel and supplemental purse funds; (ii) the right to bargain for and retain any interest earned on any monies which the member or persons for whom the members is authorized representative, has on deposit with any race association, and/or to receive said monies, necessary, and deposit said monies in a reputable bank at interest until the end of any race meeting or until the balance in said account, less interest earned, is requested by the member, (iii) the irrevocable right, as agent for the member and for those owners for whom the member is authorized representative, to bargain with race associations,

licensees and/or media representatives with respect to performance rights, namely, all television, radio, motion pictures, simulcasting, photographic or other similar audio-visual rights with respect to participation in races (including related events or ceremonies occurring prior to or subsequent to races on track premises) of horses now owned or hereafter acquired (whether or not now foaled or conceived) in whatever manner by the member, any proceeds resulting from said negotiations to be used exclusively to increase purses or horse races at race meetings; (iv) the right to bargain with and enter into binding contracts with race associations or licensees with respect to the member's rights, benefits and responsibilities. It is agreed that any owner for whom an authorized representative has acted who objects to payment of the breeder's or owner's fee, or payment of interest on his owner's account on deposit with the horsemen's bookkeeper or assignment of his performance rights by his representative to the Colorado Horse-Racing Association may deny said representative's authority by filing a written notice of objection within 30 days of notice of any deduction from any account in which he has an interest and receive reimbursement for his individual share of said membership fee from the Colorado Horse-Racing Association, or revoke any action taken on his behalf, as the case maybe.

Voting members who are residents of the State of Colorado are eligible to hold office, serve on the Board of Directors and are entitled to vote. Voting members who are not residents of the State of Colorado are entitled to vote but are **not** entitled to hold office or serve on the Board of Directors.

Any person eligible for membership in the association shall become a voting member at such time as such person, or the entity through which eligibility for membership is established, shall start a horse in a qualified race, unless the association is notified in writing that such a person does not desire to be a member.

- 3.2 **Nonvoting Members.** A nonvoting member shall be any person who pays annual dues of One Hundred Dollars (\$100) or who pays a membership fee of One Thousand Dollars (\$1,000). Nonvoting members shall not be eligible to hold office or entitled to vote.
- 3.3 **Procedure.** Anyone who meets the requirements for a voting member, as defined in Paragraph 3.0, shall be accepted by the Board of Directors unless the Board, by two-thirds (2/3) majority vote, finds that the applicant is unsuitable for membership, such unsuitability to be presumed if the applicant has been denied a license to own or train horses at any race track in the United States.
- 3.4 **Membership and Fees.** Any licensed owner or trainer who starts a horse at a racetrack in Colorado that is represented by the Colorado Horse-Racing Association is automatically a voting member of the corporation. Any person that does not start a horse at a Colorado track can become a non-voting member by paying the membership fees and meeting the membership requirements of the Colorado Horse-Racing Association By-Laws in accordance with the fees set

from time to time by the Board of Directors.

## ARTICLE IV

### Meetings

- 4.0 **Annual Meeting.** The regular annual meeting of the members of the corporation, and election of new board members shall be held at the corporations office, or other meeting place as determined by the board in October or at such other time as may be designated by the Board of Directors within 30 days either side of said date and to be held at the hour designated in the notice therefor. Ballots will be distributed by mail to all voting members and must be received by mail or returned in person before the designated time for ballots to be counted.
- 4.1 **Special Meetings.** Special meetings of the members may be held at any time upon call of a majority of the Board of Directors.
- 4.2 **Notice of Meetings.** Notice of the annual meeting shall be mailed to each member appearing as such on the books of the corporation at least ten (10) days prior to the date of such meeting and no longer than thirty-five (35) days before the date of the meeting and in all cases of special meetings, the notice therefor shall state briefly the objects of the meeting. Any business may be presented at an annual meeting whether or not referred to in the notice of the meeting.
- 4.3 **Quorum.** The voting members of the corporation in good standing, present in person or by proxy, as said members are shown on the books of the corporation, shall constitute a quorum for the transaction of business at any annual or special meeting of the members.

## ARTICLE V

- 5.0 **Board of Directors.** The Board of Directors shall consist of nine directors elected by the voting members.
- 5.1 **Directors' Terms and Removal.** Directors' terms shall be three years, and the terms shall be staggered such that three directors shall be elected each year. Any director who fails to attend a minimum of 50 percent of the regularly scheduled meetings called during a calendar year may be replaced by a majority of the directors. Participation by phone shall constitute attendance.
- 5.2 **Vacancies.** Should a director resign, he may be replaced until the next election by a majority vote of the Board of Directors.

- 5.3 **Eligibility for Election.** No person shall be eligible for nomination or to serve as an officer, director or member of the corporation unless he is a voting member as defined in Article I and Article III of these By-Laws and is otherwise eligible at the time he or she stands for election.
- 5.4 **Directors' Classifications.** All directors shall be either an owner or trainer of horses.
- 5.5 **Election of Directors.** The voting members, by ballot through the mail or at a duly called meeting (as the Board may determine) shall vote for three (3) voting members who have been nominated according to Paragraph 7.1. The three (3) eligible candidates with the greatest number of votes shall be elected for the term in question and shall serve until their successors are duly elected and qualified. Any other vacancy caused by resignation prior to the election will be filled by remaining candidates receiving the highest number of votes who will be elected to serve the unexpired portion of that term.
- 5.6 **Non-Voting Breed Representatives.** A Colorado organization representing breeders of horses that race in a qualified race and which breed of horse is not represented by any elected Director may designate a non-voting representative to attend and participate in meetings of the Board of Directors in an advisory capacity.
- 5.7 **Special Meetings of the Board of Directors.** Special meetings of the Board of Directors may be called by the president and must be called by the president upon written request of twenty-five percent (25%) of the members of the Board of Directors as then exist. Notice of any special meeting shall be given at least three (3) days prior thereto by written notice delivered personally or sent by mail or e-mail to each member of the Board at his address as shown by the records of the corporation. The notice shall specify the time and place of the meeting and the purpose or purposes for which the same is to be held.
- 5.8 **Quorum.** A quorum for transaction of business at all meetings of the Board of Directors shall be a majority of directors then elected.
- 5.9 **Election of Officers.** Immediately following the annual election of the Board of Directors, the board so elected shall meet and organize for the election of a president, vice president, secretary and treasurer who shall be elected for one (1) year and shall serve until their successors are duly elected and qualified. The offices of secretary and treasurer may be held by the same person. Persons elected to the offices of secretary and treasurer need not be members of the Board of Directors of the corporation nor need they be members of the corporation.
- 5.10 **Eligibility of Officers.** In order to be eligible for nomination or to serve as president or vice president, the nominee must be a voting member of the corporation, a member of the Board of Directors, and a licensed owner or trainer.

## ARTICLE VI

### Officers and Their Duties

- 6.0 **President.** The president shall preside at all meetings of members and all meetings of the Board of Directors, sign all certificates of membership, and perform generally *all* duties usually incident to such office and such other and further duties as may be from time to time required of the president by the Board of Directors.
- 6.1 **Vice President.** The vice president shall perform all the duties of the president in case of the former's absence or disability. In case both the president and vice president are absent or unable to perform their duties, the Board of Directors may appoint a president pro tempore.
- 6.2 **Secretary.** The secretary shall keep an accurate record of all transactions of the members and the Board of Directors. He shall give all notices required by law and all notices provided by the By-Laws of the corporation. He shall keep a proper secretary's book and shall promptly record therein all minutes of members' and Board of Director's meetings and such other matters as shall be proper and necessary. He shall issue and attest all certificates of membership, and generally perform such duties as may be required of him by the members or Board of Directors. At the expiration of his term of office, he shall deliver all books, papers and property of the corporation in his hands to the president or his successor.
- 6.3 **Treasurer.** The treasurer shall receive and safely keep all monies, rights and chooses in action belonging to the corporation, and the same shall be disbursed under the direction of and to the satisfaction of the Board of Directors. Proper vouchers shall be taken for all of such disbursements. It shall be the duty of the treasurer to keep an accurate account of the finances of the corporation on the books of the corporation prepared and furnished for that purpose, and all books shall be open for inspection and examination by the Board of Directors. He shall render an account of the standing of the corporation at the annual meeting of the members and at such other times as the Board of Directors may require. He shall perform all such other and further duties as may be required of him by the president or the Board of Directors. At the expiration of his term of office he shall deliver all monies, property and rights of the corporation in his hands to his successor in office or to the president.
- 6.4 **Executive Vice President.** The Board of Directors may appoint an executive vice president who shall have general and active management of the business of the corporation subject to the control of the Board of Directors and the president, shall see that all orders and resolutions of the board are carried into effect, and shall perform such other and further duties as may from time to time be required of him by the directors or president. The salary of the executive vice president shall be fixed by the Board of Directors.

- 6.5 **Executive Director.** The Board of Directors may appoint an executive director who shall be subordinate to and shall assist the executive vice president. The executive director shall perform such duties as may be required of him by the executive vice president. The salary of the executive director shall be fixed by the Board of Directors.

## ARTICLE VII

### Executive and Other Committees

- 7.0 **Executive Committee.** There may be an executive committee consisting of such persons as may be appointed by the Board of Directors. The executive committee shall have and may exercise all of the powers granted the Board of Directors, subject to such limitations as the board by resolution may impose. The executive committee shall keep regular minutes of its meeting and shall present the same to the Board of Directors at its regular annual meeting.
- 7.1 **Nominations.** Any voting member in good standing may be nominated as a candidate for election to the Board of Directors by submitting to the Executive Director or President a letter stating his or her desire to serve and qualifications. Such letter must be received prior to the August meeting of the Board of Directors.
- 7.2 **Other Committees.** The Board of Directors may appoint from time to time such other committees to serve such purposes of the corporation, as the Board shall deem appropriate. Members of the committee need not be members of the corporation nor must they serve on the Board of Directors of the corporation or be an officer thereof.

## ARTICLE VIII

### National Organization

In anticipation of the formation of a national organization, of which the corporation may be the state representative body, the Board of Directors is authorized to appoint, of its members, a person who shall represent the Board of Directors at the national level. In appointing said person, the Board of Directors shall comply with any and all requirements specified by the national organization.



## ARTICLE IX

### Funds of the Corporation

- 9.1 **Deposit of Funds.** The funds of the corporation shall be deposited in such banks or trust companies as the Board of Directors shall designate, and shall be withdrawn only upon the check or order duly signed and/or countersigned as the Directors shall provide by motion or resolution.
- 9.2 **Payment of Funds.** The Board of Directors may by resolution provide for the payment of funds for all purposes consistent with the Articles of Incorporation or these By-laws. That the Board so votes the funds shall constitute an irrefutable presumption that the funds were expended for a proper purpose, subject only to fraud or bad faith.
- 9.3 **Contributions to the Corporation.** The Board of Directors may accept on behalf of the corporation, any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the corporation.
- 9.4 **Financial Records.** A certified public accounting firm will be engaged to maintain the books and records of the corporation, including all IRS forms and tax returns. Annual tax returns will be reviewed and approved by the Board of Directors.

## ARTICLE X

### Proxies

- 10.1 The instrument appointing a proxy shall be deposited with the directors of the corporation before the time for holding the meeting at which the person named in such instrument proposes to vote. All proxies shall be filed with the secretary prior to the casting of the votes.

## ARTICLE XI

### Corporate Records

The corporation shall keep complete books and records of accounts and minutes of proceedings of its members, Board of Directors and committees, and shall keep at its principal office a record giving the names and addresses of the members entitled to vote.

## **ARTICLE XII**

### **Indemnification**

To the full extent permitted by law, the Association shall indemnify every person, or his personal representative, made or threatened to be made, a party to any civil or criminal action or proceeding by reason of the fact he is or was a director, officer or employee of the Association.

Wherever such indemnification is conditioned upon the determination of the Board of Directors that such director, officer or employee was acting in good faith within what he reasonably believed to be the scope of his authority or employment, and for a purpose, which he reasonably believed to be in the best interest of the Association or its members, such determination may be made by a majority of the members of the Board of Directors, other than those involved in said action or proceeding, whether or not such remaining directors constitute a quorum. If there are not at least two (2) members of the Board of Directors, other than those involved in said action or proceeding, such determination may be made by the entire Board of Directors. The determination by the Board of Directors shall be conclusive upon all parties.

## **ARTICLE XIII**

### **Dissolution**

No capital stock shall ever be issued and no dividends, rebates or other allowances shall be paid to the members of the corporation from any income which it may realize, or from any other source. In the event of the dissolution of the corporation, any assets remaining after all of the liabilities and obligations of the corporation shall have been paid, or other adequate provision made therefor, shall be distributed to such organization or organizations which themselves are exempt from the payment of federal income taxes, as the Board of Directors may designate.

Upon the final adoption of such repeal, amendment or new By-Laws, the same shall be copied into the Book of By-Laws, and a written notation of any change in the present By-Law shall be made opposite the By-Law so changed, together with the date of meeting authorizing the change.

KNOW ALL MEN BY THESE PRESENT:

That we, the undersigned, being all of the Directors of Colorado Horse-Racing Association hereby give our written assent to the foregoing By-Laws, as amended February 28, 1995, and on December 9, 2015 and do hereby adopt, ratify, confirm and approve the same as the By-Laws of said Association.