AMENDED AND RESTATED BYLAWS

OF

TEXAS THOROUGHBRED BREEDERS ASSOCIATION, INC., DOING BUSINESS AS TEXAS THOROUGHBRED ASSOCIATION

Effective Date: August 28, 2021

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ARTICLE I.

NAME, DEFINITIONS, PURPOSES

Section 1. Name. This Association shall be known as TEXAS THOROUGHBRED BREEDERS ASSOCIATION, INC., doing business as Texas Thoroughbred Association, a non-profit corporation organized under provisions of the Texas Non-Profit Corporation Act and the laws of the state of Texas.

Section 2. Definitions. As used in these Amended and Restated Bylaws:

(A) "Accredited Texas-Bred Program" means the accreditation, registration and administration of the program for Texas-Bred Horses as provided in the Act and the Rules.

(B) "Accredited Texas-Bred Thoroughbred Horse" means a Texas-bred horse that meets the accreditation requirements of the state breed registry for Texas thoroughbreds;

(C) "Act" shall mean the Texas Racing Act, as amended;

(D) "Association" shall mean the Texas Thoroughbred Breeders Association, Inc., doing business as Texas Thoroughbred Association;

(E) "Breeder" shall mean the owner of the dam at the time of foaling as stated on the foal's Jockey Club certificate of registration;

(F) "Board of Directors," "Board" and "Directors" shall mean the elected and appointed Members of Board of Directors of the Association; and "Officer" and "Officers" shall mean the elected representatives of the Association;

(G) "Bylaws" means these Amended and Restated Bylaws as adopted by the Board of Directors;

(H) "Commission" means the Texas Racing Commission, the executive secretary, its staff and employees;

(I) "Licensed" or "licensee" shall mean licensed by the Commission pursuant to the Act;

(J) "Member," "Members" or the "Membership" shall mean members of all classes in good standing of the Association as set forth in Article IV, unless specified otherwise;

(K) Intentionally left blank;

(L) "Other Equine Organizations" shall mean any Texas, regional and national equine racing and breeding organizations other than the Association;

(M) "Owner" or "Thoroughbred Owner" shall mean the owner of the Thoroughbred Horse as stated on the Jockey Club certificate of registration for such thoroughbred and/or a person who is licensed by the Commission as an owner in Texas (or is granted reciprocity pursuant to the Rules) and owns more than a nominal interest (at least a five percent interest or

more) in one or more Thoroughbred Horses or who owns more than a nominal interest (at least a five percent interest or more) in a corporation or other entity which owns one or more Thoroughbred Horses;

(N) "Principal Office" shall mean, unless designated otherwise by the Board of Directors, the principal office of the Association located in Austin, Travis County, Texas;

(O) “Racetracks” shall mean horse racetracks in Texas engaged in pari-mutuel horse racing and operated by Racing Associations licensed by the Commission pursuant to the Act;

(P) "Racing Associations" shall mean persons or entities licensed by the Commission pursuant to the Act to conduct horse race meetings with pari-mutuel wagering in the state of Texas;

(Q) “Rules” shall mean rules or regulations, as amended, promulgated by the Commission governing all pari-mutuel horse racing in the state of Texas;

(R) "Simulcasting" or "Simulcast" shall mean all interstate and intrastate simulcasting, both import and export, conducted at Racetracks or off-track wagering facilities, including account wagering, if any, authorized by the Act and the Rules;

(S) "Thoroughbred Breed Registry," “official breed registry” or “Association” shall mean the entity which is the official breed registry for Thoroughbreds as designated by the Commission and which is responsible for administering the Accredited Texas-Bred Program for Thoroughbreds;

(T) "Texas-Bred Horse" shall have the meaning as defined in the Act;

(U) "Thoroughbred" shall mean matters strictly pertaining to thoroughbred horses as a breed and thoroughbred ownership;

(V) "Thoroughbred Horse" shall mean a thoroughbred horse, including, but not limited to, broodmares, stallions and horses actively engaged in racing, registered as a thoroughbred horse by The Jockey Club;

(W) "Thoroughbred Horsemen" is a term used collectively herein to refer to Thoroughbred Owners and Breeders;

(X) “Thoroughbred Racing” shall mean Thoroughbred Horse racing at Thoroughbred Race Meetings or at live mixed race meetings in Texas in which Thoroughbred Horses participate;

(Y) “Thoroughbred Horsemen's Interests” shall mean matters pertaining to Thoroughbred Horsemen engaged in Thoroughbred breeding, ownership and racing, as distinguished from matters pertaining to non-thoroughbred breeds or breeding organizations;

(Z) “Thoroughbred Race Meetings" or "Meets" shall mean those consecutive weeks approved for live Thoroughbred Racing by the Commission during which the Racing Associations are authorized to conduct live Thoroughbred Horse racing programs on specified days during those weeks, together with Simulcasting conducted during that period, and shall

include a reasonable period of time not to exceed 30 days before the commencement of such meet and after the ending of such meet; and

(AA) In these Bylaws, where applicable, the singular shall be deemed to include the plural and the masculine shall be deemed to include the feminine, and vice versa, as the context may require.

Section 3. Purposes. The purposes of the Association are as follows:

(A) To promote interest in Thoroughbred ownership and breeding and encourage research, promotion, discussion and interchange of ideas, information and methods relating to owning, raising, racing, breeding and marketing of Thoroughbred horses in Texas and elsewhere and to encourage public interest in such activities;

(B) To promote, foster and encourage better business and social relations among and between the Association Members and the public generally;

(C) To provide a forum, clearing house, central agency and the means through which the public can be educated on the advantages of owning, racing, standing and breeding Thoroughbred Horses in Texas and to promote, encourage and ensure a high level of ethical conduct among the Members themselves and in all of their relations with the general public;

(D) To encourage by all appropriate means sportsmanship and fair dealing in all phases of the Thoroughbred business in Texas and elsewhere;

(E) To provide and maintain a central registry for the registration of Accredited Texas-Bred Thoroughbreds in Texas in accordance with the Act and the Rules;

(F) To manage the Accredited Texas-Bred Program in accordance with the Act and the Rules;

(G) To sponsor, organize, promote, manage and conduct, one or more, Thoroughbred sales each year within the State of Texas under such terms and conditions as approved by the Board of Directors, including, but not limited to, entering into agreements with other organizations to provide all or a portion of such sales services;

(H) To sponsor, promote, manage and conduct, one or more, Thoroughbred races each year within the State of Texas under such terms and conditions as approved by the Board of Directors, including, but not limited to, entering into agreements with other organizations to provide sponsorship, funds and other services relating to such races.

(I) To fully and faithfully perform such functions and responsibilities authorized by these Bylaws and delegated to the Association by its Members, the Act and the Rules;

(J) To foster and encourage a closer and more understanding relationship and cooperation between all of its Members, Owners, Breeders, Racing Associations, the Commission, Other Equine Organizations, and all segments of the Thoroughbred breeding and pari-mutuel racing industry;

(K) To cooperate with Racing Associations, the Commission and Other Equine Organizations, Texas regulatory authorities (including the Texas Department of Public Safety), as well as racing associations, racing commissions, racing organizations and regulatory authorities in other jurisdictions, in the establishment of proper rules and conditions that affect in any manner the interests of the Association's Members, their horses, and the Thoroughbred Horse ownership, breeding and racing industry;

(L) To advocate the interests of its Members and the purposes of this Association before administrative, legislative and judicial forums concerning all matters affecting Thoroughbred Owners and Breeders, including but not limited to (1) the establishment of statutes, directives, rules and conditions benefitting Thoroughbred Ownership and Breeding; (2) securing the maximum number of racing opportunities for all Thoroughbred Owners racing in Texas, (3) improving the quality of Thoroughbred breeding and racing in Texas, (4) protecting the integrity of Thoroughbred Racing while ensuring the enforcement of the Rules in a fair and equitable manner as to all Members; and (5) securing the maximum purse distributions possible for Thoroughbred Owners and Breeders;

(M) To encourage the establishment of reasonable thresholds for the testing of therapeutic medications in the state of Texas, the dissemination of information related thereto to Members and the Commission, and the formulation of proposed rules and revisions to the existing Rules in the state of Texas concerning therapeutic medications consistent with the best interests of Thoroughbred Owners and Breeders and Thoroughbred Horses;

(N) To inform and educate its Members, other segments of the horse industry and the public about all aspects of the Thoroughbred industry in the state of Texas through publications, seminars, training programs, research, and other activities or services which will achieve such purpose;

(O) To keep its Members fully informed concerning the objectives, work and accomplishments of the Association, and matters of interest to Thoroughbred Owners and Breeders by means of the official publication, or other method within the discretion of the Board;

(P) To monitor, where deemed appropriate and necessary by the Association's President or Board of Directors, the Racing Associations' receipts from all live and Simulcasting wagering pools, off-track wagering, account wagering and additional forms of gaming conducted by Racing Associations to verify the accuracy of all disbursements to persons entitled thereto under the Accredited Texas-Bred Program as required by the Act and the Rules;

(Q) To secure available group benefits and merchandise discounts for its Members through association with state, regional or national thoroughbred or other horse industry-related organizations offering such benefits and discounts to their memberships;

(R) To create, establish, maintain, and disburse Association funds to promote any of the foregoing, and to maintain accurate financial records of receipts and expenditures of the Association;

(S) To purchase, take, receive, lease, take by gift, devise or bequest, or otherwise acquire, own, hold, improve and use real or personal property, or any interest therein, wherever situated; as well as to sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise

dispose of all or any part of its property and assets as authorized by the Board of Directors, subject to the provisions of the Texas Non-Profit Corporation Act;

(T) To establish such other benefits and privileges for Members in good standing as determined by the Board of Directors;

(U) To perform any other act or do any other thing authorized by resolution of the Board of Directors to accomplish the purposes of this Association that is authorized by the law, the Act, or the Rules, and is not otherwise inconsistent or in conflict with any other provision of these Bylaws**;**

(V) Notwithstanding anything to the contrary contained herein, in no event shall any part of the earnings of this Association inure to the benefit of any individual Member in his capacity as such; provided that a Member may be compensated for services rendered as a salaried employee of the Association;

(W) To otherwise assist its Members in any matters affecting their interest in Thoroughbred ownership and breeding in the state of Texas or in other racing jurisdictions; and

(X) Any other purpose as determined by the Board of Directors consistent with the provisions of these Bylaws and not in violation of the Act, the Rules or the Texas Non-Profit Corporation Act.

ARTICLE II.

OFFICES

Section 1. Principal Office. The Principal Office of the Association in the state of Texas shall be located in Austin, Travis County, Texas, or at any other place or places as the Board of Directors may designate, or as the business of the Association may require from time to time. The Association shall have and continuously maintain in the State of Texas a registered office and a registered agent as required by the Texas Non-Profit Corporation Act. The registered office, as provided in the Articles of Incorporation, need not be identical with the Principal Office of the Association.

Section 2. Additional Offices. The Association may have such additional offices in the State of Texas as may be approved by the Board of Directors.

ARTICLE III.

GOVERNMENT OF THE ASSOCIATION

Section 1. Organization. The Association shall consist of its Members as defined in Article IV hereof, the Board of Directors elected by the Members and the President and other duly elected and appointed Officers and Directors of the Association.

Section 2. Bylaws. These Bylaws shall govern the affairs of the Association. Except as otherwise provided herein, all proceedings of the Association shall be conducted in accordance with Robert's Rules of Order, Newly Revised, or as otherwise directed by a vote of the Board of Directors of the Association.

Section 3. Powers — The Board of Directors.

(A) The Board of Directors shall be vested with and shall exercise all the powers of the Association and upon it is conferred the management, direction and control of the business, funds and property of the Association, including the power to amend the Bylaws of the Association as set out in Section 4 below.

(B) The Board of Directors shall have the power (1) to create, constitute and form partnerships or other business associations with other organizations for any purpose, including, but not limited to, managing and conducting Thoroughbred sales in the State of Texas and financing, constructing and maintaining a sales pavilion to conduct Association-sponsored Thoroughbred sales and other related Association business, and (2) to delegate specified administrative and financial responsibilities to such partnerships or business associations in the discretion of the Board of Directors; provided that such business association and delegation of responsibilities (a) is authorized by the Act, the Rules, the Commission and other applicable state or federal law, (b) does not affect the Association's non-profit corporate or charitable status, (c) preserves the exclusive right of the Association to manage the Accredited Texas-Bred Program, (d) reasonably protects the Association's Members and assets from additional liabilities, (e) provides for right of withdrawal by the Association from the partnership or business association, and (f) is deemed by the Board of Directors to be in the best interests of the Association and its Members.

(C) Intentionally left blank;

(D) The Board of Directors may appoint such individuals as it deems necessary to an advisory committee to advise and assist the Board in matters relating to the Association and its Members.

Section 4. Amendments. A proposed amendment may be adopted by an affirmative vote of a majority of the members of the entire Board of Directors, written notice of same having been furnished not less than ten (10) days prior to such meeting. A proposed amendment need only set forth its substance or sense and may be redrafted in proper legal language by the Association's legal counsel after it is adopted.

Section 5. Obligations of the Association in respect to the Association's Funds.

(A) All funds of the Association shall be maintained by the Association in one or more federally-insured depositories or privately-insured depositories approved by the Commission. All checks of the Association drawn on Association account(s) shall be signed by the Executive Director, one or more duly elected Officers and/or Directors of the Association or its designee as designated by the Board of Directors.

(B) No notes, mortgages or negotiable instruments other than checks may be signed by the Executive Director, an Officer, Director, employee or designee without the prior approval of the Board of Directors.

(C) No Executive Director, Officer, Director, employee or designee, either singly or with others, shall have the power to encumber any asset of the Association or to make any note, check or other negotiable instrument binding upon the Association without the prior approval of the Board of Directors.

(D) No Executive Director, Officer, Director, employee or designee, either singly or with others, shall have the power to authorize any disbursement of the Association's funds or Accredited Texas-Bred Program funds without the prior written approval of the Board of Directors.

Section 6. No Discrimination. The entire strength of the Association shall be given in support of any Officer or Director or any Member in good standing acting officially for the Association who, in the determination of a majority of the Board of Directors, has been discriminated against in any respect on account of his Membership or activities on behalf of the Association in accordance with these Bylaws.

Section 7. Use of the Association Name. No one, whether a Member of the Association or otherwise, shall be permitted to use the name, logo and prestige of the Association for his personal benefit, commercially or otherwise, without the express written permission of the Board.

Section 8. Official Publication. The Board of directors may establish an official publication of the Association. Each Member has the responsibility for furnishing his correct permanent mailing address to the attention of the Secretary/Treasurer and his email address (if he has one) in order for him to receive the official publication.

Section 9. Subsistence and Travel Expense Reimbursement. Any Officer, Director, Executive Director or individual performing duties at the official request of the Association and his or her spouse may request reimbursement and may be reimbursed for subsistence and travel expense while in travel status on official business of the Association, including, but not limited to, attendance at national, regional or local Thoroughbred-related meetings or other official functions, as determined by the Board of Directors, and except as otherwise restricted in these Bylaws.

Section 10. Contracts.

(A) Any contract to which this Association is a party, shall be in writing and approved by the Board of Directors. Such contract shall be made available to Members of the Association on request.

(B) It shall be the declared policy of the Association that the Association and all its Members shall abide and be firmly bound by any contract or other legal commitment entered into by the Association on behalf of its Members. The Association and all of its Officers, Directors, Members, agents and employees shall utilize all powers of persuasion and legal means at their disposal to implement this policy.

Section 11. Agreements With Other Thoroughbred Organizations. The Association through its Board of Directors may enter into agreements with any state, regional or national Thoroughbred or horse industry-related organization or organizations in order to better effect or accomplish any of the stated purposes of the Association.

ARTICLE IV.

MEMBERSHIP

Section 1. Invitation Only. Membership in the Association shall be by invitation and only upon approval by the Board of Directors and shall be limited to persons who are interested in pursuing one or more purposes of the Association.

Section 2. Classes. There may be different classes of Membership in the Association to include:

(1) Dues-Paying Texas-Resident Members (Traditional, Joint, Family, Life)
(2) Dues-Paying Non-Texas-Resident Members (Traditional, Joint, Family, Life)
(3) Honorary Members
(4) Student Members

Dues or other fees for such membership shall be determined from time to time by the Board of Directors. The classes of membership may be changed from time to time at the discretion of the Board of Directors.

Section 3. Dues-Paying Resident Members. Resident Members shall be residents of the State of Texas and enjoy all privileges of the Association, shall be entitled to vote, and shall pay such Membership fees and dues as may be fixed by the Board of Directors.

Section 4. Dues-Paying Non-Resident Members. Any Members not meeting Texas residency requirements shall be entitled to all privileges of a Resident Member, including the right to vote, except they shall not be entitled to hold an office in the Association.

Section 5. Life Members. Any Member who has paid or contributed to the Association the Life Membership fee as designated by the Board of Directors shall be entitled to vote and shall be entitled to membership in the Association for life. A Life Member must be a resident of the State of Texas to hold an office in the Association.

Section 6. Honorary Members. Honorary Members shall be entitled to membership in the Association for life. An Honorary Member shall be entitled to all privileges of the Association for life except voting and holding office in the Association. The Member shall pay no fees, dues and shall not be liable for any assessments. An Honorary Membership shall not be transferable. An Honorary Member to be elected must be nominated by either the President or the immediate past President of the Association or a majority of the Board of Directors and confirmed by three-fourths of the entire Board of Directors.

Section 7. Student Members. Any Member enrolled full-time in a recognized educational institution. Student members shall be entitled to all privileges of a Resident Member except they shall not be entitled to vote or hold an office in the Association.

Section 8. Member in Good Standing. A person who has filed the necessary application, paid the required annual dues, and pays, when due, any obligation to the Association, which includes, but is not restricted to payment for advertising in any publication of the Association, entry fees, assignment fees, office charges, or any other fees and charges, including bank charges for returned checks, connected

with the Association's programs or events, will be considered a Member in good standing with the Association.

Section 9. Membership Privileges, Benefits and Duties.

(A) Membership in the Association shall entitle all Members in good standing to the privilege of attending and participating in all general and special meetings of the Membership and the privilege to vote in any election of the Association subject to the restrictions set forth in Article IV, Sections 3 to 7 above and the voting eligibility criteria set forth herein below.

(B) So long as a Member remains in good standing, a Member shall be entitled to all privileges and benefits of membership in the Association, including, but not limited to, such benefits as (1) the Association's assistance on an informal basis in disputes or controversies with Racing Associations, the Commission, the Texas Department of Public Safety or other regulatory authorities at Racetracks, where deemed appropriate by the Association's President or Board of Directors, (2) the Association's educational and training programs, (3) the Association's dissemination of publications concerning matters of interest to Thoroughbred Horsemen, (4) group benefits or merchandise discounts secured by the Association through association with organizations offering such benefits and discounts to their memberships, and (5) the Association's advocacy of the Members' Thoroughbred ownership and breeding interests before administrative, legislative and judicial forums.

(B) It shall be the duty of every Member of the Association (1) to abide by the Rules, the Bylaws of the Association and the written policy determinations of the Board of Directors, (2) to conduct himself at all times in such a manner as to merit the respect of the public, (3) to act at all times in the best interests of the Association, (4) to refrain from the taking of any action which is adversarial to the Association's existence and/or the Association's management of the Accredited Texas-Bred Program for Thoroughbred Horsemen, (5) to avoid any conduct which is detrimental or disruptive to the orderly functioning of the Association or the Thoroughbred industry in Texas, and (6) to pay the membership fees, expenses or other outstanding amounts owed to the Association, including expenses, for advertising in any publication of the Association.

(C) Every Member of the Association, by accepting the benefits of membership, (1) expressly authorizes the Association to represent them for the purposes hereinabove stated; (2) expressly authorizes the Association (a) to form partnerships or business associations with other organizations for any purpose, including, but not limited to, managing and conducting Thoroughbred sales in the State of Texas, and financing, constructing and maintaining a sales pavilion to conduct Association-sponsored Thoroughbred sales and other related Association business, and (b) to delegate specified administrative and financial responsibilities to such partnerships or business associations in the discretion of the Board of Directors if deemed to be in the best interests of the Association; (3) agrees to abide by the Bylaws of the Association, any order or decision of the Board of Directors and to accept as final the decision of the Board of Directors; and (4) agrees to hold the Association, its Officers, Directors, Executive Director, employees and any individual performing duties at the official request of the Association harmless for any action taken or not taken.

(D) Membership fees and other fees related to Thoroughbred accreditation, sales, registration, futurity and other race-related programs, stallion-related programs and races may be determined and assessed from time to time by the Board of Directors, and subject to the Act and the Rules.

Section 10. Tenure of Membership.

(A) A Member of the Association shall remain in good standing as such so long as the Member, or the entity through which membership is established, is current in the payment of membership dues and other fees or outstanding amounts owed to the Association unless the Member earlier resigns, any or all of the Members privileges and benefits are suspended as set out below, and/or the Member is removed from the Association's Membership rolls by the Association, as provided herein.

(B) A Member may resign from the Association by (1) voluntary written resignation (to the attention of the Secretary/Treasurer), or (2) involuntarily may be deemed to have resigned without further action of the Association [other than written notice as provided in Section 10(C) and (D) hereof] by the Member failing or refusing to pay membership dues or other fees or amounts owed to the Association for advertising in any publication of the Association or otherwise. In any case, the Member remains obligated for outstanding amounts owing the Association for advertising expenses or otherwise.

(C) Any Member may be censured and/or any Member's privileges and benefits exclusively bestowed upon Members in good standing may be suspended by a two-thirds (2/3rds) vote of the members of the Board of Directors for (a) any grounds specified by law, the Act or the Rules for revocation or suspension of a license issued by the Commission, (b) conduct which violates any of Bylaws or written policy determinations of the Board of Directors, (c) conduct which is adversarial to the Association's existence and/or the Association's representation of Thoroughbred Owners and Breeders, (d) conduct detrimental or disruptive to the orderly functioning of the Association or the Thoroughbred industry in Texas, including the ability of the Association to manage the Accredited Texas-Bred Program, or (e) failure to pay membership dues, expenses or other outstanding amounts owing to the Association. The Board of Directors shall give written notice to the Member which states the basis for the proposed suspension of such privileges and benefits of membership. Within thirty (30) days of the notice, the Member may request in writing filed with the Secretary/Treasurer the opportunity to appear before the Board to respond to the notice. A Member shall have the right to be heard in person or by counsel and to introduce evidence on his behalf. A final hearing is not required, and the action of the Board is final either upon default by the Member or after appearance by the Member before the Board. While a Member is suspended, no privileges or benefits of membership will be provided to that Member by the Association, except as required by the Act, the Rules, or the Commission.

(D) Any member may be censured, suspended and/or removed from office by a two-thirds (2/3rds) vote of the members of the Board of Directors for (a) any ground specified by law, the Act or the Rules for revocation or suspension of a license issued by the Commission, (b) conduct which violates any of Bylaws or written policy determinations of the Board of Directors, (c) conduct which is adversarial to the Association's existence and/or the Association's exclusive representation rights for Accredited Texas-Bred Program, (d) conduct detrimental or disruptive to the orderly functioning of the Association or the racing industry in Texas, or (e) failure to pay membership dues, expenses or other outstanding amounts owing to the Association. The Board of Directors shall give written notice to the member which states the basis for the proposed suspension or removal. The member may appear before the Board at the next scheduled Board of Directors' meeting to respond to the notice. The member shall have the right to be heard in person or by counsel and to introduce evidence on his behalf. The action of the Board of Directors is final.

ARTICLE V.

ELECTIONS AND VOTING

Section 1. Supervision of Elections. All Association elections shall be conducted under the supervision of the Board of Directors. An Election Committee of three (3) members of the Board of Directors shall be appointed by the President of the Association, with the advice and consent of the Association's Board of Directors, no less than ten (10) days before the date of mailing ballots to the Membership. The Election Committee shall be responsible for determining the method and manner in which the election is conducted and for ensuring that the election for which it is appointed is conducted in accordance with the Bylaws of the Association and written policy determinations of the Board of Directors. The three (3) members appointed to the Election Committee shall not be candidates for any office in the Association at the time of appointment or candidates for re-election as Officers or Directors in the ensuing election. The Board of Directors may employ an independent firm or organization to supervise the opening and counting of ballots, and certification of the results.

Section 2. Elections.

(A) The Board of Directors shall be composed of twenty-one (21) members. For purposes of staggered terms, the elected Directors are divided into three (3) groups of Directors each, known as Group 1, Group 2, and Group 3 Directors. Each group of Directors shall be elected for a term of three (3) years. The Group 1 Directors consist of those Directors whose terms expired on December 31, 1998, and every third year thereafter; the Group 2 Directors consist of those Directors whose terms expired on December 31, 1999, and every third year thereafter; the Group 3 Directors consist of those Directors whose terms expired on December 31, 2000, and every third year thereafter. Six (6) Directors shall be elected from individual regions by votes of Members residing at the time of election in the respective regions to be known as South Region, West Region, North Central Region, Northeast Region, Southeast Region and Central Region. Boundaries of the six (6) regions are described and portrayed on the map appended to these Bylaws. West and North Central regions Directors shall be in Group 1; Southeast and Central regions Directors shall be in Group 2; and Northeast and South regions Directors shall be in Group 3. Directors shall be elected from Members who are in good standing with the Association, subject to the eligibility requirements as specified herein. Regional Directors must be residents of the region from which they are nominated, elected, and serve. Directors will continue to hold office until their successors are duly elected and qualified unless sooner removed as provided in the Bylaws or upon resignation of the Director.

(B) An election shall be held annually by the Membership to elect the required number of Directors, who shall hold office during their term and until their successors are elected. An election of officers shall be held each year by the Board of Directors at a meeting during the month of June specially called for such purpose.

(C) Each year, the President, with the advice and consent of the Association's Executive Committee, shall appoint a Nominating Committee consisting of seven (7) members of the Association for the purpose of making nominations, and receiving suggestions and nominations from the Membership for the election of the required number of Directors. The Nominating Committee shall consist of one (1) member of the Association residing in each region for a total of six (6) members and one (1) member of the Association appointed at large. Members of the Nominating Committee shall not be nominees for election to the Board of Directors. The Nominating Committee shall be responsible for determining the method and manner in which the nomination process is conducted and for ensuring that the nomination

process for which it is appointed is conducted in accordance with the Bylaws of the Association and written policy determinations of the Board of Directors.

(D) The Nominating Committee shall hold one or more meetings prior to the close of nominations for the purpose of making its nominations. Any nominee from the Nominating Committee must be approved by at least a two-thirds (2/3rds) vote of the Nominating Committee and Board of Directors before the nominee's name will be placed on the ballot for the election.

(E) Notice of the nominating process and pending election shall be given, starting not less than thirty (30) days prior to the general election, by notice in the Association newsletter, the official publication, or other method within the discretion of the Board.

Such notice shall inform the Members of the date of election and all other information necessary to fully inform each Member about the nomination and election process.

Section 3. Candidates.

(A) The Secretary/Treasurer, Executive Director or their designee shall notify each candidate of his nomination by telephone, facsimile or certified mail as soon after the nominating meeting as possible.

(B) Within ten (10) days of the mailing to each candidate of notice of his nomination for office, said candidate shall complete and mail to the attention of the Secretary/Treasurer at the Association's Principal Office an affidavit on one or more forms approved by the Board and furnished by the Association that:

(1) He fulfills all of the requirements for eligibility for service as set out in Section 6 herein below;

(2) He has read the requirements of the Bylaws respecting elections and candidates, agrees to be bound by all of them, and will obey any decision of the Board of Directors in regard thereto;

(3) He will run for the office, serve if elected and remain eligible during the term of any such office to which he is elected;

(4) He is not a member, an officer, director, beneficial owner, employee, representative or agent (or the spouse or immediate relative of same) of a Racing Association, the Commission, any Other Equine Organizations that may have a stated purpose in conflict with the operation and purposes of this Association, and/or any other associations of Thoroughbred Horsemen or horsemen that has a stated purpose in conflict with the operation and purposes of this Association;

(5) He has read the requirements of the Bylaws respecting conflicts with racetrack and gaming entities and is in compliance with the restrictions in Article XIII of these Bylaws; and

(6) He is a resident of the State of Texas (but subject to the Board’s authority to waive residency under Article V, Section 5 (B)).

A candidate may furnish to the Association's Principal Office (attention: Secretary/Treasurer) any additional information or disclosures in affidavit format that he desires the Board of Directors to consider in connection with his candidacy.

(C) A candidate for office may also mail to the attention of the Secretary/Treasurer at the Association's Principal Office with his affidavit biographical information and position statement, if any, of not more than three hundred (300) words within the same time limits required for his affidavit. The candidate expressly authorizes the verification of information, use and publication of this statement as the candidate's official statement by the Association, but such statement otherwise shall not be issued, disseminated or used by the Association other than by enclosing a copy with the ballot.

(D) The Secretary/Treasurer, the Executive Director or their designee shall maintain a list of all persons nominated, their affidavits, biographical information and position statements, if any, and a current membership list of the Association.

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

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

(G) An elected Director shall take office at the next Board of Directors meeting called by the President after the election. The lodging of a protest of an election or a candidate shall not affect the status of an elected Officer or Director until a hearing has been held in accordance with these Bylaws, and such Officer or Director has been removed by a two-thirds (2/3rds) vote of the members of the Board of Directors.

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

Section 4. Manner of Voting.

(A) Voting shall be by secret ballot. All voting and election procedures shall be supervised by the Election Committee and/or Secretary/Treasurer or his designee in accordance with the Bylaws of the Association and written policy determinations of the Board of Directors. Other procedures, not inconsistent therewith, adopted by the Board of Directors for the Election Committee and/or Secretary/Treasurer or his designee to perform his duties with respect to Association elections may be randomly checked by the Association's auditors or other designated independent firms or organizations.

(B) Not less than thirty (30) and not more than sixty (60) days prior to an election, the Secretary/Treasurer or his designee shall mail in an envelope bearing the Association's return address, the following to the last known address of each Member who is qualified to vote:

(1) a ballot;

(2) an unmarked envelope capable of being sealed;

(3) the approved biographical information and position statement, if any, of each candidate; and

(4) a return envelope addressed to the attention of the independent firm retained to verify and tabulate the ballots, if any, or addressed to any other person designated by the Board, that shall have a space in the upper left-hand corner for the signature and the typed or printed name of the Member, and that shall have the word "Ballot" and the name of this Association appearing on its face. Said return envelope shall be sent by U.S. mail, postage paid or shall be marked to indicate that postage will be paid by addressee. The Board of Directors may adopt such other policies and procedures as they deem necessary.

(C) The Secretary/Treasurer, Executive Director or their designee shall use the Membership roster of the Association for mailing of ballots to Members in good standing. The Secretary/Treasurer, Executive Director or their designee shall maintain on a current basis the Association's Membership roster. Prior to the mailing of ballots, the Secretary/Treasurer, Executive Director or their designee, or such other duly-authorized Association representative shall use reasonable efforts to confirm the identity and address of each Member; however, the responsibility for accurate identification and addresses for Members lies with the Members.

(D) Additional election procedures.

(1) Timing of the election. An election of directors shall occur annually on a date selected by the Board.

(2) Who is entitled to a ballot? Any person who is an Association member in good standing either a) on the date the ballots are mailed out to the membership, or b) at any time after that day and before the election date, is entitled to receive one ballot. In the case of a joint membership, each person is entitled to her or his own ballot. In the case of a family membership, two persons are entitled to his or her own ballot. In the case of a lost ballot, the Association shall provide a replacement ballot but provided that only one ballot from that member shall be valid in tabulating the election result.

(3) Who is entitled to vote? Each Association member who receives a ballot is entitled to cast one vote for him or herself. Proxy voting is prohibited, and therefore if a ballot is marked or submitted by someone other than the member to whom that ballot was issued then that improper vote shall not be tabulated in the election results.

(4) What is a proper and valid ballot which will be tabulated in the election results? The only valid ballots are the original ballots issued on paper by the Association. Any duplicate or facsimile of a ballot is invalid. When the member votes on the ballot, the original paper ballot must be physically returned to the independent firm retained to verify and tabulate the ballots, if any, or addressed to any other person designated by the Board; any attempt to vote which is not the physical return of an original ballot will be invalid and not

counted. Every ballot returned to the Association must indicate who the ballot is from, either by printed or signed name on the envelope or by any other clear and reliable means. Any ballot which cannot be confirmed as coming from an Association member in good standing shall be invalid and not counted.

(5) More than one ballot in a single envelope? Members are allowed to place their regional ballot into the same envelope as their at-large ballot. Joint or family members may return their ballots in a single envelope.

(6) Election by default. If when nominations cease there is only one qualified candidate for any single position then an election for that candidate shall not be held and that candidate shall win that position by default. It shall be the policy of the Association whenever possible to avoid elections by default. In any calendar year there may not be more than two elections by default.

(7) How to resolve a tie vote? Not later than 5 calendar days after the election tabulation date, a tying candidate may resolve the tie by filing with the TTA office a written statement of withdrawal, signed and acknowledged by the candidate. On receipt of the statement of withdrawal, the remaining candidate shall be declared the winner, and a second election or casting of lots is not held.

If there is no resolution through candidate withdrawal, the tying candidates shall cast lots before the Election Committee, not later than 10 calendar days after the election tabulation date. The Election Committee shall determine the place, date, time, and rules of casting lots. The method of casting lots shall be the single roll of a die, with the candidate rolling the highest number declared the winner.

If the candidate or candidates fail to appear at the appointed time on said day, the Election Committee shall cast lots for him or her or them. For purpose of casting lots, any candidate may appear in person, or by proxy appointed in writing.

(E) All ballots that are received prior to the close of business on the day named for the election shall be considered timely. Ballots shall be checked against the list of eligible voters in the Association and shall be counted by the Election Committee or other designated independent organization. Counting of the ballots shall be under the supervision of the Secretary/Treasurer or his designee, with the identity of each voter and their votes kept confidential. After being counted, all ballots, envelopes and tally sheets shall be sealed and retained in the custody of the Association for a period of not less than thirty (30) days or, in the event of a protest, until the final determination of the protest. In the event of duplicate voting, only the latest ballot received shall be counted. No sealed envelope shall contain more than one ballot per member at that address, unless submitted by Joint Members or Family Members; otherwise, if more than one ballot per member at that address is contained therein, all ballots contained in the envelope shall be voided. Any ballot with either more or fewer votes than the number of vacancies at the time ballots are sent shall be voided. Any ballot received in an unsigned envelope shall be voided.

Section 5. Other Organizations — Conflicts of Interest.

(A) The Board of Directors shall establish written procedures and standards on the subject of conflicts of interest of Members, Directors, Officers and employees. At a minimum, no person who is or whose spouse or immediate relative is a member, an officer, director, beneficial owner, employee, representative or agent of a Racing Association, the Commission, any Other Equine Organizations that may have a stated purpose in conflict with the operation and purposes of this Association, and/or any other associations of Thoroughbred Horsemen or horsemen that has a stated purpose in conflict with the operations and purposes of this Association, shall be put on the ballot as or be a candidate for either an Officer or Director position of the Association. Additionally, no person (or the spouse or immediate relative thereof) who also currently is serving (or has been elected to serve in the next term of office) as the President of any other Equine Organization or any other association of Thoroughbred Horsemen or horsemen, and as such would be subject to the direction and command of a board of directors of such Other Equine Organization or other association of Thoroughbred Horsemen or horsemen, shall be put on the ballot as or be a candidate for an Officer or Director position of the Association for that election year.

(B) Notwithstanding the foregoing, any of those prohibitions (as well as the Texas residency requirement in Section 3 (B) (6)) may be waived by a two-thirds (2/3rds) vote of the members of the Board of Directors and any such waiver shall be deemed for all purposes as a finding that such waiver is in the best interest of the Association. Any Director who may have a conflict shall abstain from participating in the two-third (2/3rds) vote on waiver of conflicts.voting on issues involving those subjects or entities.

(C) Notwithstanding the foregoing, such a candidate faced with an apparent conflict may make himself eligible without first obtaining Board approval by resigning his or having his spouse or immediate relative resign his position with any such organization, Other Equine Organization or other association prior to the Member being placed on the ballot upon providing satisfactory proof of such resignation to the Board of Directors. No person who is elected as Officer or Director may become nor may his spouse or immediate relative become a Member of any of the organizations referred to above during the Members' term of office, except with the express consent as evidenced by a two-thirds (2/3rds) vote of the members of the Board of Directors.

(D) To the extent any such conflicts of interest exist and are waived by the Association's Board of Directors, then the Director affected by the conflict of interest shall not have the right or be empowered to vote or otherwise take any action in his capacity as an Officer or Director with respect to any action or activity relating to the organization which created the conflict of interest; and shall abstain from any vote or action concerning same.

Section 6. Election of the Board of Directors.

(A) The Board of Directors shall be elected by the Association's eligible voting Members in good standing.

(B) No person shall be eligible for nomination or to serve as a Director unless he has been a Member in good standing with the Association for the prior twenty-four (24) months and a resident of the State of Texas.

(C) Vacancies on the Board shall be filled by a two-thirds (2/3rds) vote of the members of the Board of Directors at a duly called Board of Directors meeting to serve the remaining term of the Director who created the vacancy. Such nominee for election as a Director shall satisfy the eligibility requirements for nomination and service as a Director.

(D) No salaried employee of the Association may be elected or appointed as an Officer or Director of the Association.

(E) Any Member who desires to run for election or re-election to the Board of Directors of the Association shall disclose in their biographies to be published to the Membership any and all affiliations with any associations within the related industries, equine or gambling, which might cause that Member to experience a conflict of interest or which might present the appearance of impropriety. Further, upon election, any business which involves a vote relating to or involving in any way an organization or association with which a Member is affiliated shall require that Member to abstain from voting on the issue before the Board.

Section 7. Election of Officers. The Board of Directors shall elect annually from members of the Board of Directors a President, a Vice President, a Secretary/Treasurer, and such other officers as determined by the Board of Directors. Any Officer shall serve for one year or until their successor has been duly elected and qualified.

Section 8. Election of the President. The President shall be elected annually by a two-thirds (2/3rds) vote of the Board of Directors at its meeting in June for election of officers. The President shall have been a member of the Board of Directors for at least 12 months preceding his election as President.

Section 9. Election of Vice President. The Board of Directors shall elect a Vice President from among its Members. In case of the resignation, inability to serve because of illness or otherwise, or death of the President, the Vice President automatically becomes President for the unexpired term, provided the Vice President has been a member of the Board of Directors for at least one year. In the event the Vice President does not meet this criteria the Board may waive this requirement or shall elect a new President from among members of the Board who have served on the Board for at least one year.

Section 10. Removal of Officers or Directors. At any regular or special meeting, with written notice of not less than ten (10) days, the Board may vote to remove any officer or director from his position for cause. A vote to remove an officer or director shall require two thirds (2/3) of the entire Board. Within the discretion of the Board, sufficient cause for removal may be:

(A) any of the grounds for removing a member of the Association as specified in Article IV, Section 10, subsection (D);

(B) any serious failure to honestly and diligently serve the interests of the Association;

(C) any serious failure to comply with the Bylaws and rules of the Association, or with a decision of the Board, or

(D) any serious misconduct that harms the operations or reputation of the Association.

The Board of Directors shall give written notice to the Board member or Officer which states the basis for the proposed removal. The Board member or Officer may appear before the Board at the next scheduled Board of Directors' meeting to respond to the notice. The Officer or Director shall have the

right to be heard in person or by counsel and to introduce evidence on his behalf. Such Director or Officer shall not be eligible to participate in any vote taken by the Board on his suspension or removal. The action of the Board of Directors is final.

ARTICLE VI.

DUTIES OF OFFICERS AND DIRECTORS

Section 1. Board of Directors.

(A) Composition. The Board of Directors shall be composed of not less than nine (9) nor more than twenty-one (21) voting Members of the Association as may be determined from time to time by the Board of Directors. Officers of the Association must also be members of the Board of Directors. Any Director elected to fill a vacancy shall have the same powers, authority and voting rights of the elected members of the Board.

(B) If any member of the Board resigns, is unable to serve because of illness or otherwise, dies, or is absent at three (3) consecutive regularly-scheduled Board meetings without extenuating circumstances confirmed in writing to the attention of the Secretary/Treasurer within thirty (30) days after any absence, his position on the Board shall be declared vacant. A vacancy on the Board, regardless of how it occurs, shall be filled with an appointed Director by the Board of Directors by two-thirds (2/3rds) vote of the elected members of the Board of Directors, subject to the eligibility requirements specified herein.

(C) Meetings; Quorum. A majority of the Board of Director members shall constitute a quorum for the conduct of business, but a lesser number may adjourn a meeting from time to time pending attendance of a quorum. Any vote by a majority of a quorum of the Board shall be valid and binding upon the Association, except where a different vote margin is explicitly required by law or these. Proxies shall not be permitted except by approval of the President.

(D) The Board shall attempt to hold regularly scheduled Board meetings at least once during each ninety-day period at a time and place determined by the President with no fewer than three (3) Board meetings each year and shall hold such special meetings as may be called by the President or at least five (5) Directors. Written notice of the purposes and subjects to be considered at each meeting shall be given at least ten (10) days prior to the meeting. Contingent upon approval of the President, Board meetings may be conducted telephonically. Actions of the Board without a formal meeting may be taken by unanimous written consent of the Directors, as provided by law.

(E) Responsibilities. The Board shall supervise all affairs of the Association and shall be governed by and subject to the Bylaws.

(F) Liaison with Membership. The Board of Directors shall, by means of the official publication, a newsletter or other appropriate means, maintain close liaison with the Membership of the Association and shall keep the Membership fully informed concerning the objectives, work and accomplishments of the Association, and all other matters of interest to Thoroughbred Owners and Breeders.

(G) Financial Records. The Board of Directors shall cause an audit to be made of the books of the Association at the end of each of the Association's fiscal years, in the manner directed by the Secretary/Treasurer or his designee; and such audit shall be properly certified by an independent certified public accountant who shall be approved in advance of his employment by the Board of Directors. The financial records of the Association, including the audit thereof, shall be open for inspection by any Director and, for any proper purpose, by any Member in good standing.

(H) Bank Accounts; Association Obligations. No bank account, savings account, certificate of deposit, U.S. Treasury bill or other Association investment of any kind whatsoever may be opened, purchased and/or maintained by the Association without approval of the President and Board of Directors. Withdrawal from, liquidation or redemption at maturity or otherwise of any account, certificate of deposit. U.S. Treasury bill or investment must bear the signature of the Director, Officer, Executive Director and/or their designee as designated and approved by the Board of Directors. All Association funds shall be deposited in federally-insured banks or private depositories approved by the Commission.

Section 2. The President. The President shall be the principal executive officer of the Association.

(A) Except as otherwise designated in the Bylaws, only the President shall call and preside at all meetings of the Association and of the Board of Directors and shall determine the agenda for each such meeting with the assistance of the Executive Director.

(B) He shall report to the Board any irregularities or derelictions on the part of any Officer or any member of the Board.

(C) He shall, with the advice and consent of the Board, appoint members of any special committees, except as otherwise provided herein.

(D) He shall be an *ex officio* member of all standing, special and other committees of the Board.

(E) He shall notify the Board of Directors forthwith of any charges brought or anticipated to be brought against any Officer or Director that may involve such Officer's or Director's violation of these Bylaws.

(F) He shall call at least one (1) general membership meeting and three (3) Board meetings each year and such additional meetings as the welfare of the Association may require. He shall, upon written petition of a majority of the members of the Board, call a meeting of the Board within thirty (30) days. He may, upon written petition of at least two hundred fifty (250) Members of the Association or 10% of the Membership roll, whichever is greatest, call a general meeting of the Association within thirty (30) days. A petition for a general meeting must state the primary purposes or issues for which the meeting is called. The meeting must be held in the immediate vicinity where the issues or purposes for which the meeting was called. This requirement shall not prevent the consideration of other issues at the meeting. Decisions, recommendations and resolutions passed at general meetings shall be advisory only.

(G) He shall cooperate with the Board in maintaining liaison with the Membership and keeping it informed.

(H) The President may appoint and employ, shall determine the method of appointment and length of employment of and shall supervise the employment and conduct of the Association's legal counsel, accountants, consultants and such other employees as he deems necessary for the Association to conduct its operations and fulfill the purposes of this Association, subject to the approval of the Board of Directors.

(I) He shall work closely with the Executive Director, and monitor the work of legal counsel, accountants, consultants and other employees of the Association.

(J) He shall not sign any signature cards for any bank accounts or deposits in any financial institutions or sign any notes, negotiable instruments or obligations of the Association except as specifically allowed by the Bylaws and as authorized by the Board.

Section 3. The Vice President. The Vice President shall attend all meetings of the Association and the Board of Directors and the Vice President shall fulfill the duties of the President in the event of his temporary absence. In the event of the resignation, expulsion, death, permanent disability or disqualification of the President, the Vice President shall succeed to the office of President of the Association, subject to Article V, Section 9 above.

Section 4. The Secretary/Treasurer. The Secretary/Treasurer or his designee, as approved by the Board of Directors, shall keep an accurate record of all transactions of the Association and the Board of Directors. He or his designee shall give all notices required by law and all notices provided by the Bylaws of the Association. He or his designee shall keep a proper Secretary's book and shall promptly record therein all minutes of meetings of Members and Board of Directors and such other matters as shall be proper and necessary. He or his designee shall issue and attest all certificates of Membership, and generally perform such duties as may be required of him by the members of the Board of Directors. At the expiration of his term of office, he and any designee shall deliver all books, papers and property of the Association in his or the designee's hands to the President or to his successor.

The Secretary/Treasurer or his designee as approved by the Board of Directors, shall receive and safely keep all monies, rights and choses in action belonging to the Association, 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 such disbursements. It shall be the duty of the Secretary/Treasurer or his designee to keep an accurate account of the finances of the Association on the books of the Association prepared and furnished for that purpose, and all books shall be open for inspection and examination by the Board of Directors. He or his designee shall render an account of the standing of the Association at the annual meeting of the Members and at such other times as the Board of Directors may require. He or his designee 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 and his designee shall deliver all monies, property and rights of the Association in his or the designee's hands to his successor in office or to the President. In the absence of an elected Secretary/Treasurer, the President, the Executive Director or their designee, as approved by the Board of Directors, may perform the duties of Secretary/Treasurer.

Section 5. Executive Director. The Board of Directors may appoint an Executive Director who shall (1) have general and active management of the affairs and business of the Association subject to the control of the Board of Directors and the President, (2) implement all orders and resolutions of the Board, (3) provide assistance to the President, the Secretary/Treasurer and the Board in connection with the formulation of agendas for all Board meetings, (4) act as a liaison between (a) the Officers and Directors of the Association, (b) the members of the Board of Directors, and (c) the Association's

Members and the Officers/Directors of the Board, (5) keep the Board fully informed of all negotiations and discussions affecting Thoroughbred ownership, breeding and racing interests with the Racing Associations and/or the Commission or its staff, (6) act as a spokesman for the Association, if requested by the President or the Board, in dealings with the Other Equine Organizations, the Racing Associations and/or the Commission or its staff, and (7) perform such other and further official duties as may from time to time be required of him by the President and Board of Directors. The salary of the Executive Director shall be determined by the Board of Directors.

Section 6. Other Officers. The Board of Directors may, by resolution, establish such other offices of the Association and appoint individuals to fill those offices. Persons elected to those additional offices need not be members of the Board of Directors or the Association nor shall they be required to be Members of the Association.

Section 7. Committees. The Board of Directors authorizes the establishment of additional standing committees as follows:

(A) Effective with the election of Officers in June 2008, the Board of Directors shall annually appoint an Executive Committee comprising seven (7) Board Members, which shall be composed of the President, Vice President, Secretary/Treasurer, Immediate Past President, and three (3) other Board Members. The Executive Committee is empowered and has the authority to manage and conduct the affairs and operations of the Association during the interim period between regular or special meetings of the Board of Directors.

(B) There shall be an Election Committee as provided in Article V, Section 1.

(C) There shall be a Nominating Committee as provided in Article V, Section 2.

(D) The President may appoint an Advisory Committee with the advice and consent of the Board of Directors. The Advisory Committee shall consist of Members of the Association who are not members of the Board. With the permission of a majority of the Board of Directors, members of the Advisory Committee may attend meetings of the Association whenever possible. They shall have no vote at meetings of the Board. The Advisory Committee shall meet at the call of the President. It shall furnish to the President and to the Board such advice and assistance as may be requested or as the Advisory Committee may deem appropriate. Members of the Advisory Committee may be designated by the President to sit as non-voting members of any other committee of the Association.

(E) The President shall appoint with the advice and consent of the Board such additional standing or special committees as the needs of the Association may dictate and the Board may create. No such committee, however, shall have the authority of the Board of Directors in reference to amending, altering or repealing the Bylaws; electing, appointing or removing any member of any such committee or any Director or Officer of the Association; amending the Articles of Incorporation; adopting a plan or merger or adopting a plan of consolidation with another organization; authorizing the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Association; authorizing the voluntary dissolution of the Association or revoking proceedings therefore; adopting a plan for the distribution of the assets of the Association; or amending, altering, or repealing any resolution of the Board of Directors that by its terms provides that it shall not be amended, altered, or repealed by such committee. The designation and appointment of any such committee and the delegation of authority thereto shall not operate to relieve the Directors, or any individual Director, of any responsibility imposed on it or him by law.

Section 8. General Meetings. There may be at least one (1) general Membership meeting of the Association each year, and such additional meetings as the welfare of the Association may require.

Section 9. Limitations on this Association, its Directors and Members.

(A) The Association may not obligate itself for legal or attorney's fees without the prior approval of the Board of Directors.

(B) No litigation shall be instituted by this Association without prior approval of the Board of Directors.

(C) The right to vote, hold office and enjoy the other privileges and benefits of the Association is exclusively bestowed upon Members in good standing. The provision of such benefits shall not be afforded to non-members except in the discretion of the Association upon a favorable vote of a majority of the members of the Board of Directors. For the purposes of this Section, the term "member" shall have the meaning set forth in Article IV hereof and term "non-member" shall mean one who does not possess and/or fulfill the requirements set forth in Article IV hereof for membership in the Association.

(D) The Executive Director, employees of the Association, Officers and Directors of the Association shall refrain from instructing or furnishing materials to the Commission, Racing Associations or any local, state or federal judicial, administrative or regulatory agency, or their staff in an attempt to express their personal views, to advocate any personal cause, or to take any action to contradict any official action, resolution or policy of the Association's Board of Directors, except as expressly authorized by the Board of Directors.

ARTICLE VII.

INDEMNIFICATION

Section 1. Required Indemnification of Officers and Directors. Pursuant to Section 18.06 of the Act (as amended and effective September 1, 1997), the Association and persons regulated under the Act are not liable to any individual, corporation, business association or other entity for a cause of action that arises out of that person's performance or exercise of discretion in the implementation or enforcement of the Act or the Rules if the person has acted in good faith. Notwithstanding same, in the event such statutory release of liability is placed in issue or rejected, the Association shall indemnify any Director or Officer, or former Director or Officer, against expenses actually and reasonably incurred by him in connection with the defense of any action, suit or proceeding, civil or criminal, in which he is made a party by reason of being or having been such Director or Officer, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for gross negligence, fraud or misconduct in the performance of his duties to this Association. The Association shall indemnify its Directors and Officers to the extent permitted by Article 2.22A of the Texas Non-Profit Corporation Act or any superseding statute under the circumstances in which indemnification is permitted by said Article 2.22A.

Section 2. Discretionary Indemnification of Employees and Agents. This Association shall also have the right, in the discretion of the Board of Directors, to indemnify any employee or agent, or former employee or agent, against such expenses actually and reasonably incurred by him in

connection with the defense of any action, suit or proceeding, civil or criminal, in which he is made a party by reason of being or having been such employee or agent, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding to be liable for gross negligence, fraud or misconduct in the performance of his duties to this Association. The Association may purchase directors and officers liability insurance in such amounts and under such terms as approved by the Board of Directors.

Section 3. Expenses for Which Indemnification Provided. Indemnification may be against judgments, penalties, fines, reasonable settlements and reasonable expenses (including attorney's fees) actually incurred by the person entitled to indemnification in connection with the action, suit or proceeding. No indemnification shall be provided, however, for any person with respect to any matter unless he has given written notice thereof to the President or Executive Director of this Association promptly after he has received notice of the claim giving rise to the action, suit or proceeding.

Section 4. Liability. An Officer or Director of the Association is not liable to the Association or its members for monetary damages for an act or omission in the Director's or Officer's capacity as a Director or Officer, except that this shall not be construed to eliminate or limit the liability of an Officer or Director for:

(1) A breach of the Officer's or Director's duty of loyalty to the Association or its Members;
(2) An action or omission not in good faith or that involves intentional misconduct or knowing violation of the law;
(3) A transaction from which the Officer or Director received improper benefit, whether or not the benefit resulted from an action taken within the scope of the Officer's or Director's office;
(4) An act of omission for which the liability of the Officer or Director is expressly provided for by statute.

ARTICLE VIII.

POLITICAL ENDORSEMENTS

The Board of Directors shall not endorse candidates for public office in the name of the Association.

ARTICLE IX.

FUNDS OF THE ASSOCIATION

Section 1. Deposit of Funds. The funds of the Association shall be deposited in such federally-insured banks or privately-insured depositories as the Board of Directors shall designate, and shall be withdrawn only upon the check or order duly signed and/or countersigned by such Officers and/or Directors as the Board of Directors shall provide by motion or resolution.

Section 2. The Board of Directors may by resolution provide for the payment of funds for all purposes consistent with the Articles of Incorporation or these Bylaws

Section 3. Contributions to the Association. The Board of Directors may accept on behalf of the Association, any lawful contribution, gift, bequest or devise for the general purposes or for any special purpose of the Association.

Section 4. Liabilities. Before incurring indebtedness, the Executive Committee or Board of Directors shall approve the payment, or incurrence, as applicable, of such indebtedness. Otherwise, the President and/or Executive Director shall have authority to incur indebtedness or pay expenses of the Association in single transactions of less than $5,000, without prior approval of the Executive Committee or Board of Directors. The President and/or Executive Director is authorized to incur indebtedness and pay expenses of the Association in the ordinary course of the Association's business that do not exceed $5,000 per transaction.

Section 5. Contracts. The Board of Directors may authorize any officer, officers, agent or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be either general or confined to specific instances.

ARTICLE X.

PROXIES

No proxies shall be allowed for any purpose unless previously authorized by the Board of Directors. The instrument appointing a proxy, if any, shall be deposited at the office of the Association not less than twenty-four (24) hours 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/Treasurer or his designee prior to the casting of the votes.

ARTICLE XI.

BOOKS AND RECORDS OF THE ASSOCIATION

The Association 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 Membership roll giving the names and addresses of the Members entitled to vote.

ARTICLE XII.

DISSOLUTION

No capital stock shall ever be issued and no dividends, rebates or other allowances shall be paid to the Members of the Association from any income which it may realize, or from any other source. In the event of the dissolution of the Association, any assets remaining after all of the liabilities and obligations of the Association shall have been paid, or other adequate provision made therefore, 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 determine, subject to the Act and the Rules.

ARTICLE XIII.

ANNUAL WRITTEN STATEMENT OF NO CONFLICT WITH RACETRACK OR GAMBLING ENTITY

Section 1. Each of the Association's leaders, staff and advisors must not have either 1) a financial interest in any racetrack or gambling entity, nor 2) any leadership role for or fiduciary duty to a racetrack or gambling entity.

Section 2. In this article, the terms shall be defined as follows:

(A) "Leaders" means all officers and directors.

(B) "Staff" means all employees (part time and full time), as well as all temporary or contract labor.

(C) "Advisors" means all Association attorneys, lobbyists, accountants, consultants and other professional service providers.

(D) "Leadership role" means acting – paid or unpaid – as any leader, staff or advisor as those roles are defined in this section.

(E) "Fiduciary duty" is defined in Texas law, and applies to all "agents" (as that term is defined by Texas law).

(F) "Racetrack or gambling entity" means either 1) a company or other entity that holds a racetrack license, 2) a company or other entity that owns or controls any part of another entity that holds a racetrack license, and/or 3) any company or other entity that manufactures, sells or operates any kind of gambling equipment or wagering games.

(G) "Financial interest" means any ownership or lending relationship, directly or indirectly, written or unwritten, through yourself or through your family members. All forms of ownership are included, such as preferred stock, options, warrants, non-voting stock, stock held in trust, phantom stock, profit sharing, promises of future issuance of stock, letters of intent, etc. All forms of lending are included, such as promissory notes, secured or unsecured loans, personal guarantees, lines of credit, pledges of future loans, bonds, sales on credit, letters of intent, etc.

(1) "Family members" means any person to whom you are related by blood or marriage within the 3rd degree of consanguinity as that term is defined by Texas law. This includes your parents and children and grandchildren, your brothers and sisters, your nieces and nephews – as well as all of those relatives for your spouse. "Half" relatives and "step" relatives ARE included.

(2) Exclusions. Ownership of any publicly traded stock or mutual fund is NOT a financial interest within the meaning of this section. Also, it is NOT a financial interest within the meaning of this section to collect a purse or to pay or be paid (or to owe or be owed) by a track due to any activity that is part of breeding, owning, training, or racing a horse at a licensed racetrack.

Section 3. Within 15 days of when this bylaw first applies to a person, and then annually before January 15th of each calendar year, each person to whom this rule applies shall sign the following

statement in writing and submit it to the board of directors: "As required and defined by Article XIII of the Bylaws of the Texas Thoroughbred Association, I do solemnly swear under the penalty of perjury that 1) neither I nor my family have any financial interest in any racetrack or gambling entity, and 2) that I do not have any leadership role for or fiduciary duty to a racetrack or gambling entity."

Section 4. If, after signing the statement, a person develops a new financial relationship, leadership role or fiduciary duty to a racetrack or gambling entity, then that person shall report it in writing to the Association president and the Association executive director within 15 days.

Section 5. Any person not in full compliance with this section (including failure to comply with any part of subsection 1, 3, or 4) has an irreconcilable conflict of interest against the Association. That individual shall have 45 days to resolve the conflict. The individual may resolve the conflict either by i) filing the signed, written Declaration (if he previously failed to sign and deliver it), ii) voluntarily terminating his role with the Association, or iii) by eliminating the prohibited financial interest, leadership role, and/or fiduciary duty.

(A) If the individual does not choose option (ii), then on or before the 45th day the individual shall file an affidavit describing the situation in detail and explaining how it was resolved. If the individual files an affidavit the board shall review the affidavit within 15 days and at its discretion the board may vote to accept it.

(B) If the individual does not file an affidavit, or if the board fails to accept the affidavit, then the individual shall be removed as follows:

(1) if the individual is a leader of the Association, then that person is automatically disqualified when the time deadline is reached and therefore a vacancy occurs in that office. No vote or further action is required.

(2) if the individual is an advisor or on the staff, then that person shall, within 72 hours, be terminated for cause.

CERTIFICATION OF ADOPTION

The above Amended and Restated Bylaws of this Association were adopted by the Board of Directors on the 28th day of August 2021.

Signed and confirmed:_____
Secretary/Treasurer