

BY-LAWS OF
THE INDIANA STANDARDBRED ASSOCIATION

ARTICLE I

Founded in 1927 as The Indiana Trotting and Pacing Horse Association with the Articles of Incorporation registered with the Secretary of State of Indiana, the Association hereby adopts a change in name and a significant restructuring of its bylaws. These changes are being made on the occasion of its merger with the Standardbred Owners and Breeders of Indiana and to better meet the needs and wishes of the harness horse people of Indiana and to more favorably position the Association to represent the harness horse industry in matters involving the legislature, the Horse Racing Commission, pari-mutuel race track management and other matters directly involving members' interests.

NAME

The name of this association is **THE INDIANA STANDARDBRED ASSOCIATION**.

ARTICLE II
PURPOSE

The purpose of the Indiana Standardbred Association is to promote and increase interest in harness horses and harness racing; to establish and promote cooperation between county, state and pari-mutuel racetrack operators, breeders, owners, trainers, drivers and grooms; to sponsor and promote Standardbred racing, breeding, training, and development programs in the State of Indiana, and to represent breeders, owners, drivers, trainers, and grooms in negotiations with racetrack operators and to take other actions in the furtherance of the Standardbred racing industry in Indiana.

ARTICLE III
MEMBERS

Section 1. Qualifications. Any person of good moral standing who is interested in promoting the purpose of the Association shall be eligible for membership. The word "person" shall include corporations, associations, syndicates, and other business entities as well as youth and individuals of both sexes.

Section 2. Applications. Prospective members shall make application in writing to the Secretary, showing the necessary qualifications for membership. Corporations, associations, syndicates, and other business entities shall state in the application the name and address of the person authorized to represent it before the Association. Applicants shall be admitted into the membership upon approval of the Board of Directors and payment of dues.

Section 3. Dues. Dues shall be payable on or before March 1 of the membership year and shall expire on last day of February of the following year. Said annual dues shall be paid into the General Fund of the Association to be used to defray the expenses of the Association and as otherwise directed by the Board of Directors. A member whose dues are paid on or before October 1 is eligible to vote in the next election of the Board of Directors even though such election may occur in the following year.

Section 4. Meetings The annual meeting and/or a Banquet of the members shall be held within the State of Indiana annually with the exact time and place to be determined by the Board of Directors.

Special meetings of the members shall be called by the President or by a majority of the Board of Directors or by the written request of fifty (50) members.

Section 5. Notice of Meetings. A written or printed notice stating the place, day and hour of the meeting, and in the case of a special meeting, the purpose for which such meeting is called, shall be mailed by the Secretary to each of the members of record at such address as appears upon the record of the Association at least ten (10) days before the meeting. Notification of such meetings may be made by electronic communication with the written permission of the member. It shall be each member's responsibility to furnish the Association with his current mailing address and/or e-mail address to which all issues of the Association's Official Publications or such other notifications shall be delivered. All notices required to be served on members, except in the case of disciplinary action as provided for in this Article, shall have been deemed served by mailing, or electronic conveyance, if permitted, of the Official Publication containing the notice to the addresses of the members on file with the Association; and thereafter no member shall have the right to claim he did not receive notice.

Section 6. Voting by Membership. Each paid-up member shall have the right to cast one (1) vote on all matters upon which members are entitled to vote. A corporation association syndicate or other business entity shall cast its vote by the representative stated in its application.

Section 7. Withdrawals and Expulsion. Any member may withdraw from the Association by presenting a statement of resignation to the Secretary. Any member may be expelled for violation of the By-Laws of the Association or other causes prejudicial to the purposes of the Association if confirmed by a two-thirds vote of the Board of Directors at any duly constituted meeting. The annual dues of such member will not be reimbursed in the event of withdrawal or expulsion.

ARTICLE IV **BOARD OF DIRECTORS**

Section 1. Composition. The management, control and direction of the property and business of the Association shall be vested in a Board of Directors composed of fifteen (15) Directors nominated and elected by the membership. To be qualified to run or serve as a Director, a person must be a resident of the State of Indiana and a resident of one of four electoral districts, the areas of which are established as follows:

Northern District The northern district shall be composed of Lake, Porter, La Porte, St. Joseph, Elkhart, LaGrange, Steuben, Newton, Jasper, Starke, Marshall, Kosciusko, Noble, DeKalb, Pulaski, Fulton, Whitley, Allen, Benton, White, Carroll, Cass, Miami, Wabash, Huntington, Wells, Adams, Howard, Grant and Blackford.

Central District The central district shall consist of the following counties: Warren, Fountain, Tippecanoe, Clinton, Tipton, Madison, Delaware, Jay, Randolph, Vermillion, Parke, Montgomery, Boone, Hamilton, Putnam, Hendricks, Marion, Hancock, Henry, Wayne, Union, Fayette, Clay and Vigo.

Southern District The southern district shall consist of the following counties: Franklin, Decatur, Bartholomew, Brown, Monroe, Greene, Sullivan, Knox, Davies, Martin, Lawrence, Jackson, Jennings, Ripley, Dearborn, Ohio, Switzerland, Jefferson, Scott, Washington, Orange, Dubois, Pike, Gibson, Posey, Vanderburgh, Warrick, Spencer, Perry, Harrison, Floyd, Clarke, Rush, Shelby, Johnson, Morgan, and Owen.

At-Large District The at-large district shall be composed of all of the counties in the State of Indiana.

An effort shall be made to include representation of owners, breeders, trainers, drivers and other persons considered to be an asset to the Standardbred Horse Industry.

The number of Directors elected from and residing within the districts shall be as follows: Northern District 2, Central District 2, Southern District 2, and At-Large District 9.

The residency requirements set forth herein shall become effective in 2012 and shall govern the election of Directors in 2012 and thereafter. Nothing contained herein shall abridge the term of any Director, duly elected or appointed and serving as a Director prior to the election to be held in the year 2012.

The determination of whether an individual meets the residency requirements shall be made by the Board of Directors of the Indiana Standardbred Association, acting in its sole discretion.

The candidate receiving the greatest number of votes shall be deemed elected. A candidate shall be deemed elected even if the candidate receives less than a majority of all votes cast.

In the event two (2) or more candidates for Director shall receive the same number of votes in an election, the remaining elected Board of Directors shall, as soon as practicable, cause a run-off election to be held between the candidates receiving an equal number of votes. Distribution, opening and counting of the ballots for a run-off election shall be done according to the same procedure as that used for the general election of Directors.

The Board of Directors may, from time to time, and shall, no less than every five (5) years commencing in 2017, review, and, if necessary, revise the Northern, Central and Southern Electoral Districts. Any revision of the boundaries of the Northern, Central or Southern Electoral Districts shall be done, taking into account contiguity, compactness, respect for political and geographic boundaries, and membership equality.

Section 2. Qualifications. In addition to any other qualifications set forth in these By-Laws, all members of the Board of Directors of the Association shall be members of the Association in good standing and shall have paid all dues required for membership.

Section 3. Nomination, Election and Term. A nominating committee as provided for in Article 6, Section 1, of these By-Laws shall notify the Secretary of the Association in writing, at least seventy (70) days prior to the election of Directors, the names and addresses of candidates proposed to be nominated by the nominating committee. Such notification shall occur at least seventy (70) days prior to the election. Sixty (60) days prior to the election, the Secretary of the Association shall notify the membership by mail of the candidates nominated by the committee and offer an opportunity for nominations from the membership. Any nomination from the membership must be accompanied by a petition in support of said nomination, signed by at least fifty (50) members of the Association. All such nominations must be received by the Secretary of the Association within twenty-one (21) days of the date of the Secretary's notice letter. The Secretary of the Association shall then mail a ballot to each member listing all nominated candidates for Director.

Directors of the Association shall be elected by mailed-in ballots cast by eligible members of the Association and shall be elected for a term of three (3) years, and shall hold office until their successors

are duly elected and qualified. The ballots shall state the date upon which the ballots must be received at the ISA office. All ballots postmarked more than five (5) days prior to the date of the election shall be considered timely received by the Association, notwithstanding the actual date of receipt, provided, however, that no ballot received after 12:00 Noon on the date of election shall be considered.

The election of Directors shall be the day upon which the ballots are counted, which day shall be the second Tuesday in November. The Board of Directors shall designate the place where the ballots are to be counted and the persons who shall count the ballots. Directors' terms shall be staggered and five (5) Directors shall be elected each year. Ballots and tally sheets of elections shall be open for review by any member in good standing of the Association. A Director's term begins on January 1st in the year following the Director's election.

Section 4. Vacancies. Any vacancy occurring on the Board of Directors, except a vacancy occurring as a result of a tie vote for the election of a Director, shall be filled by the majority vote of the remaining members of the Board of Directors until the next election. Directors elected to fill vacancies shall serve until the expiration of the term of the vacant Directorship.

Section 5. Meetings. The Board of Directors shall hold regular meetings. Any paid-up member of the organization may attend Board of Directors meetings. The Board may hold executive sessions not open to the membership. The Board shall hold no fewer than four (4) meetings each year.

Section 6. Notice. All members of the Board of Directors shall be notified of an upcoming meeting, either verbally or in writing, by the Chairman or Secretary at least forty-eight (48) hours before any special meeting. Such notice shall state the time and place of such special meeting. No notice shall be necessary for the regularly scheduled meetings of the Board of Directors.

Section 7. Quorum. A majority of the Board of Directors shall be necessary to constitute a quorum for the transaction of any business. The act of a majority of the Board of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, provided, however, that in order to fill a vacancy on the Board of Directors, the candidate must receive at least eight (8) votes or votes equivalent to a majority of the total number of Directors.

Section 8. Powers and Duties. The Board of Directors and Officers shall be the governing body of this Association and shall have the management and control of the affairs and funds of the Association.

The President, First Vice President, Second Vice President, Secretary and Treasurer shall constitute the Executive Committee, which committee shall have the authority to act on behalf of the Board of Directors to the extent of the authority granted. Voting within the Board will be by a voice vote, or by a show of hands, for matters requiring a simple majority for adoption. A roll call vote may be requested by a member of the Board on any matter and shall occur on the request. A roll call vote shall occur on any matter requiring an affirmative vote which requires more than a simple majority for adoption unless a motion is made, seconded and approved by a majority of the Board to have a written secret ballot.

Section 9. Resignation and Removal. Any Director may resign at any time by delivering to the Secretary of the Association his written resignation, and if the same is not sooner accepted, such resignation shall be considered as having been accepted and as having been effective ten (10) days after date of receipt by the Secretary. A Director or officer may be removed for cause by a two-thirds (2/3) vote of the Board of Directors. A Director or officer may be removed if the Director or officer has not attended at least two-thirds (2/3) of the regularly scheduled meetings during any twelve (12) months

period or if the Director or officer has missed three (3) consecutive scheduled board meetings.

Section 10. Conflicts of Interest Policy Required. The Board of Directors shall prepare a Conflicts of Interest Policy in Affidavit form to be signed by each Director and Employee as provided for herein. The Board of Directors may, from time to time, amend or modify said policy by two-thirds (2/3) vote of all Directors. Modifications or amendments shall become effective when adopted by the Board of Directors. Upon modification or amendment, each Director or Employee shall sign and file with the Board the modified or amended policy, in affidavit form. Directors and Employees shall file the modified or amended policy within the time allowed for signing and filing the initial policy. Failure to do so shall result in immediate disqualification and removal of the Director or immediate termination of the Employee.

Section 11. Signing of "Affidavit of Compliance for Conflicts of Interest" Mandatory.

(a) All Directors or Employees must, prior to assuming their duties as Director or Employee, sign and file with the Board of Directors an Affidavit of Compliance for Conflicts of Interest. Failure to sign and file the Affidavit by a Director Elect prior to the commencement of the Director Elect's term shall disqualify the Director Elect from serving as a Director. Signing and filing the Affidavit is a specific condition precedent to employment of any Employee.

(b) The Affidavit is deemed "filed" when it is tendered to the Board of Directors in fully executed and notarized form at an open meeting of the Board or, if submission is not required to be made at a Board of Directors' meeting, when the original is received fully executed and notarized at the Principal Offices of the ISA, during normal business hours.

Section 12. Removal of Director or Termination of Employee for Violation of Conflicts of Interest Policy. Any Director found by the Board to have violated any requirement contained in the Conflicts of Interest Policy shall, upon such finding, immediately forfeit his or her Director's seat. Any Employee found by the Board to have violated any requirement contained in the Conflicts of Interest Policy shall be immediately terminated and such termination shall be considered "for cause".

Section 13. Board of Directors to Establish Policies and Procedures to Determine Violations of Conflicts of Interest Policy. Upon approval of Article IV, Sections 10, 11, 12, and 13 of the By-Laws, pursuant to Article VIII, Section 1, the Board of Directors shall adopt written Policies and Procedures governing the administration and enforcement of Article IV, Sections 10, 11, 12, and 13 of the By-Laws. Policies and procedures shall provide adequate due process safeguards to Employees and Directors accused of violating the Conflicts of Interest Policy and shall at the same time provide for prompt and appropriate action by the Board in event a Director or Employee is found to have violated the Conflicts of Interest Policy. The Board's Policies and Procedures shall be adopted by simple majority vote of Directors present at a meeting and may be amended at any regular or special meeting by simple majority vote of the Directors present.

ARTICLE V **OFFICERS**

Section 1. Election and Qualifications. Following their election and qualification, the Board of Directors shall meet and elect, at such times as their terms shall expire and vacancies occur, a President, a First Vice-president, a Second Vice-president, a Treasurer, and a Secretary and shall appoint such assistants as the Board deems appropriate. Such officers and assistants shall hold office for a period of one (1) year and until their respective successors are chosen and have qualified. The election of Officers shall not be conducted until thirty (30) days after announcing the results of the election of directors.

Section 2. Vacancies. Any vacancy occurring in any office by reason of death, resignation, or otherwise, shall be filled by the Board of Directors, and such appointed officer shall hold office until their successors are chosen and have been qualified.

Section 3. President. The President shall have general charge and management of the property and affairs of the Association. He shall preside at all Association meetings. He shall secure from an independent certified accountant or firm an annual financial report of the condition of the Association, which report shall be prepared prior to the Annual Meeting of the members and a copy of same shall be made available for examination at the annual meeting, and shall perform other duties as the Board may direct. The President shall be elected from the membership of the Board. The President shall further have the authority to create committees other than those committees set forth in Article VI and shall appoint the members of said committees. All committees established by act of the President shall consist of three (3) or more members.

Section 4. Vice-Presidents. The Vice-Presidents shall perform all duties incumbent upon the President during the absence or inability of the President to perform his duties or any of them, and perform such other duties as the President or the Board of Directors may prescribe. One Vice-President shall be designated 1st Vice-President and the other 2nd Vice-President and shall substitute for the President in that order.

Section 5. The Treasurer and Secretary. The Treasurer shall have the custody of all funds and securities of the Association, and shall keep or cause to be kept necessary books and records showing the financial condition of the Association. The Treasurer shall be responsible for the preparation and filing of all tax returns, reports and applications required by any governmental agencies, shall see that all funds of the Association are drawn upon only in the manner authorized by the Board of Directors and by the proper officers of the Association, and shall perform such other duties as the Board may direct. Only the Treasurer and the President of the Association, or a designee of the President, shall have signatory authority of association financial accounts.

The Secretary or the Secretary's designee shall maintain a record of the proceedings of all meetings of the Association, a record of all membership transactions of the Association, and shall generally be responsible for maintaining all of the books and records of the Association. The Secretary shall further be responsible for certifying the authenticity of any document or record kept by the Association. The Secretary shall maintain a list of the members, their names and addresses and shall sign all certificates of membership.

In the event of the resignation or removal of the Treasurer of the Association, a financial review of the books and records and financial affairs of the Association shall be made immediately. The President of the Association, or a designee of the President, and Treasurer shall at all times be bonded in an amount and by a Surety acceptable to the Board of Directors; the premium for said bond to be paid by the Association.

Section 6. Delegation of Duties. Any of the duties herein prescribed to be performed by one or more of the officers of the Association may be delegated by the Board of Directors of the Association to other officers or directors.

Section 7. Officers Must Be Directors. All officers of the Association shall be members of the Board of Directors. At such time as an individual ceases to be a member of the Board of Directors, said individual shall automatically cease being an officer of the Association.

ARTICLE VI
STANDING COMMITTEES

Section 1. Nominating Committee. On or before August 15th of each year the Board of Directors shall appoint a nominating committee of three (3) or more members whose duty it is to nominate candidates who meet all of the qualifications for office as set forth in these By-Laws.

Section 2. Finance Committee. The Board of Directors shall appoint from its membership a Finance Committee composed of three (3) or more Members whose duty it shall be to monitor the financial matters of the Association and shall report and make recommendation to the Board regarding major expenditures, investments and sources of income. The Treasurer shall be a member of and the chairman of the Finance Committee.

Section 3. Membership Committee. The Board of Directors shall appoint from its members a membership committee composed of three (3) or more members whose duty it shall be to plan and carry out activities which will increase and enhance the membership of the Association.

Section 4. Breeders Committee. The Board of Directors shall appoint from its membership a breeders committee composed of three (3) or more members whose duty it shall be to work with the sales companies, stallion owners, and breeders to create co-operation, communication etc. to put the Indiana breeding programs at the highest level possible.

ARTICLE VII
FISCAL YEAR

The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December.

ARTICLE VIII
AMENDMENTS

Section 1. By-Laws. A notice of any proposed change in the By-Laws shall be mailed to all dues paid members not less than thirty (30) days prior to the date of the meeting at which said by-law changes shall be considered. A ballot shall be enclosed for voting for or against said change. The voted ballot must be post-marked at least ten (10) days prior to the meeting at which the change will be considered or it shall not be counted. No change in the by-laws shall be enacted without a two-thirds (2/3) majority of the votes cast.

Section 2. Articles of Incorporation. The Board of Directors shall have the power to make, alter, amend, or change the Articles of Incorporation and the By-Laws of the Association to the extent that might be permitted or required by the laws of the State of Indiana, and as deemed desirable to enable the accomplishment of the purposes of the Association.

ARTICLE IX
INDEMNIFICATION

Section 1. Indemnification by the Indiana Standardbred Association (hereinafter referred to as "Association"). To the extent not inconsistent with applicable law, every person (and the heirs and personal representatives of such person) who is or was a member, director or officer of the Association shall be indemnified by the Association against all liability and reasonable expense that may be incurred by her or him in connection with or resulting from any claim, action, suit, or proceeding (a) if such

person is wholly successful with respect thereof or, (b) if not wholly successful, then if such person is determined to have acted in good faith, in what he or she reasonably believed to be in the best interests of the Association (or, in any case not involving the person's official capacity with the Association, in what he or she reasonably believed to be not opposed to the best interests of the Association) and, in addition, with respect to any criminal action or proceeding, is determined to have had reasonable cause to believe that the conduct was lawful (or no reasonable cause to believe that the conduct was unlawful). The termination of any claim, action, suit, or proceeding, by judgment, settlement (whether with or without court approval), or conviction or upon a plea of guilty or of nolo contendere, or its equivalent, shall not create a presumption that person did not meet the standards of conduct set forth in this Article.

Section 2. Definitions.

(a) As used in this Article, the terms "claim, action, suit, or proceeding" shall include any threatened, pending, or completed claim, action, suit, or proceeding and all appeals thereof (whether brought by or in the right of this Association, any other association or otherwise), civil, criminal, administrative, or investigative, whether formal or informal, in which a person (or her or his heirs or personal representatives) may become involved, as a party or otherwise:

- (i) By reason of her or his being or having been a director or officer or member of the Association or of any association where he or she served as such at the request of the Association, or
- (ii) By reason of her or his acting or having acted in any capacity in a corporation, partnership, joint venture, association, trust or other organization or entity where he or she served as such at the request of the Association, or
- (iii) By reason of any action taken or not taken by her or him in any such capacity, whether or not he or she continues in such capacity at the time such liability or expense shall have been incurred.

(b) As used in this Article, the terms "liability" and "expense" shall include, but shall not be limited to, counsel fees and disbursements and amounts of judgments, fines, or penalties against, and amounts paid in settlement by or on behalf of, a person.

(c) As used in this Article, the term "wholly successful" shall mean (i) termination of any action, suit, or proceeding against the person in question without any finding of liability or guilt against her or him, (ii) approval by a court, with knowledge of the indemnity herein provided, of a settlement of any action, suit or proceeding, or (iii) the expiration of a reasonable period of time after the making of any claim or threat of any action, suit, or proceeding without the institution of the same, without any payment or promise made to induce a settlement.

Section 3. Entitlement to Indemnification. Every person claiming indemnification hereunder (other than one who has been wholly successful with respect to any claim, action, suit, or proceeding) shall be entitled to indemnification (a) if counsel of the Association or other disinterested person or persons, in either case selected by the Board of Directors, whether or not a disinterested quorum exists (such counselor person or persons being hereinafter called the "referee"), shall deliver to the Association a written finding that such person has met the standards of conduct set forth in the preceding Section 1 of this Article and (b) if the Board of Directors, acting upon such written finding, so determines. The person claiming indemnification shall, if requested, appear before the referee and answer questions which the referee deems relevant and shall be given ample opportunity to present to the referee evidence upon which he or she relies for indemnification. The Association shall, at the request of the referee,

make available facts, opinions or other evidence in any way relevant to the referee's findings that are within the possession or control of the Association.

Section 4. Relationship to Other Rights. The right of indemnification provided in this Article shall be in addition to any rights which any person may otherwise be entitled.

Section 5. Extent of Indemnification. Irrespective of the provisions of this Article, the Board of Directors may, at any time and from time to time, approve indemnification of directors, officers, or other persons to the fullest extent permitted by applicable law, or, if not permitted, then to any extent not prohibited by such law, whether on account of past or future transactions. These rights shall continue as to an individual who has ceased to be a director or officer, and shall inure to the benefit of the heirs, executors, administrators and legal representatives of such individual, provided the indemnified person's conduct was in good faith.

Section 6. Advancement of Expenses. Expenses incurred with respect to any claim, action, suit, or proceeding may be advanced by the Association (by action of the Board of Directors, whether or not a disinterested quorum exists) prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the recipient to repay such amount unless he or she is entitled to indemnification.

Section 7. Purchase of Insurance. The Board of Directors is authorized and empowered to purchase insurance covering the Association's liabilities and obligations under this Article and insurance protecting the Association's directors or officers, or other persons.

END OF BY-LAWS