

UNITED STATES TEAM PENNING ASSOCIATION CORPORATION BY-LAWS

These Bylaws govern the affairs of United States Team Penning Association, Inc., a non-profit corporation (referred to as the "Corporation") organized under the Texas Non-Profit Corporation Act (referred to as the "Act").

Article I - Offices

1.01. Principal Office. The principal office of the Corporation shall be located at any location as determined by the Board of Directors. The Corporation may have such other offices, either in Texas or elsewhere, as the Board of Directors may determine. The Board of Directors may change the location of any office of the Corporation.

1.02. Registered Office and Registered Agent.

The Corporation shall comply with the requirements of the Act and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identified with Corporation's principal office in Texas. The registered office and the registered agent may be changed as provided in the Act.

Article 2 - Members

2.01. Classes. The Corporation shall have one or more class of members as the Board of Directors may determine from time to time.

2.02. Charter Members and Lifetime Members. The Board of Directors may admit Charter Members and Lifetime Members at any time. Charter Members and Lifetime Members shall pay an initial membership fee determined by the Board of Directors upon admission to the Corporation. Thereafter, a Charter Member and Lifetime Members shall be obligated to pay no further dues or other fees for his or her lifetime for membership or renewal of membership.

2.03. Admission of Members and Renewal of Membership. Natural persons may be admitted to membership in the Corporation by the Board of Directors or a committee designated by the Board to handle such matters. The Board of Directors or a Board-designated committee may adopt and amend application procedures, fees and qualifications for membership in the Corporation. An affirmative vote of the majority of the Board-designated Membership committee present and voting shall be required for admission of any applicant who meets the membership qualifications then in effect.

2.04. Membership Fees and Dues. The Board of Directors may set and change the amount of an initiation fee, if any, and the annual dues payable to the Corporation by members other than the Charter Members and Lifetime Members. Dues shall be due and payable as determined by the Board of Directors.

2.05. Certificates of Membership. The Board of Directors may provide for the issuance of certificates evidencing membership in the Corporation. When a person has been admitted as a member and has paid any required fees and dues, the Corporation shall issue a certificate of membership to the person.

2.06. Voting Rights. Each member over the age of 18 shall be entitled to one vote on each matter submitted to a vote of the members.

2.07. Sanction, Suspension, or Termination of Members. The Board of Directors may impose reasonable Sanctions on a member, including a Charter or Lifetime Member, or suspend or expel a member, including a Charter or Lifetime Member, from the Corporation, for good cause.

Good cause includes, but is not limited to,

(i) the default of an obligation to the Corporation to pay fees or dues for a period of 30 days following delivery of notice of default, or;

(ii) a material and serious violation of the Corporation's articles of incorporation, bylaws, or rules, or of law. A suspended or terminated member may request a hearing for reconsideration of any suspension or termination. A request for a hearing for reconsideration must be delivered in writing and be received at the principal office of the Corporation within 10 days of the receipt of notice of suspension or termination. Upon receipt of a request for a hearing for reconsideration, the Board of Directors shall set a hearing date on the request. The hearing must be held not later than 45 days from the date of the notice of suspension or termination. The Board of Directors may delegate powers to a regular or ad hoc committee to conduct a hearing, make recommendations to the Board of Directors, or to take action on behalf of the Board of Directors. Notice of the hearing shall be in writing and delivered at least 14 days prior to any hearing. A member shall have the right to be represented by counsel at and before the hearing.

2.08. Resignation. Any member may resign from the Corporation by submitting a written resignation to the secretary. The resignation need not be accepted by the Corporation to be effective. A member's resignation shall not relieve the member of any obligations to pay any dues, assessments, or other charges that had accrued and were unpaid prior to the effective date of the resignation.

2.09. Reinstatement. A former member may submit a written request for reinstatement of membership. The Board of Directors or a committee designated by the Board of Directors to handle the matter may reinstate membership on any reasonable terms that the Board of Directors or committee deems appropriate.

2.10. Transfer of Membership. Membership in the corporation is not transferable or assignable. Membership terminates on the dissolution of the Corporation or the death of a member. Membership in the Corporation is not a property right that may be transferred after a member's death.

2.11. Waiver of Interest in Corporation Property. All real and personal property, including all improvements located on the property, acquired by the Corporation shall be owned by the Corporation. A member shall have no interest in specific property of the Corporation. Each member hereby expressly waives the right to require partition of all or part of the Corporation's property.

Article 3 - Meeting of Members

3.01. Annual Meetings. The Corporation shall hold not less than one annual meeting of the members during the fiscal year

at such time and place as the Board of Directors may set. At the annual meeting, the members may transact any business that may come before the meeting.

3.02. Special Meetings. Special meeting of the members may be called by the president, the Board of Directors, or not less than one-tenth of the current members in good standing.

3.03. Place of Meeting. The Board of Directors may designate any place, either within or without the State of Texas, as the place of meeting for any annual meeting or for any special meeting called by the Board of Directors. If the Board of Directors does not designate the place of meeting, the meeting shall be held at the registered office of the Corporation in Texas.

3.04. Notice of Meetings. Written or printed notice of any meeting of members, including the annual meeting, shall be delivered to each member entitled to vote at the meeting not less than 10 nor more than 50 days before the meeting.

The notice shall state the place, date, and time of the meeting, who called the meeting, and the general purpose or purposes for which the meeting is called. Notice shall be given by or at the direction of the president or secretary of the Corporation, or the officers or persons calling the meeting. If all of the members meet and consent to a waiver of notice of the meeting, any corporate action may be taken at the meeting regardless of a lack of proper notice.

3.05. Rules. Each meeting of the members must be conducted in accordance with the most recent edition of Robert's Rules of Order, insofar as they are not inconsistent with law, the Articles of Incorporation of the corporation or these By-Laws. The President, or in his absence, the President Elect shall appoint a person to act as parliamentarian of each meeting, who shall determine any question concerning the applicable rules of order.

3.06. Quorum. The members holding one-twentieth (5%) of the votes that may be cast at a meeting who attend the meeting in person or by proxy shall constitute a quorum at that meeting. The members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of members required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the members present may adjourn and reconvene the meeting one time without further notice.

3.07. Actions of Membership. The vote of a majority of voting members in good standing, present and entitled to vote at a meeting at which a quorum is present, shall be sufficient to constitute the act of the membership unless the vote of a greater number is required by law or the bylaws. A member in good standing is one who's paid all required fees and dues and is not suspended as of the date 10 days prior to the meeting. Voting shall be by ballot or voice, except that any election of Directors shall be by ballot.

3.08. Proxies. A member entitled to vote may vote by proxy executed in writing by the member. No proxy shall be valid more than eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

3.09. Voting by Mail. The Board of Directors may authorize members to vote by mail, facsimile transmission, or electronic mail on any matter that may be voted on by the members. The annual election of Directors shall be conducted, as provided in Article 4.

Article 4 - Board of Directors

4.01. Management of the Corporation. The affairs of the Corporation shall be managed by the Board of Directors. The Board of Directors may designate any standing or appointed committee to handle any of the affairs of the corporation or to take action on behalf of the Board of Directors.

4.02. The Board of directors shall be comprised of Regional Directors and Directors-at-Large. The number of Directors-at-Large may not exceed one-half of the total number of Regional Directors. No Director may be related to any other Director by marriage or within the same family.

4.03. Number, Qualifications, and Tenure of Regional Directors.

a) The number of Regional Directors shall be not less than 2 from each Region established by the Board of Directors. Each Regional Director must be a member of the Corporation, and be not less than 21 years of age. b) Each member shall serve until the successor Regional Directors are elected and qualified. All successor Regional Directors shall be elected by the members of the Corporation by a mailed ballot on an annual basis (except for the filling of vacancies under 4.06).

c) Nomination of Regional Directors. At the annual meeting of members, a member in good standing may nominate a person for Regional Director with the second of any other member in good standing. In addition to nominations made at the annual meeting, the nominating committee will nominate candidates for Regional Director. The secretary shall include the names nominated by the nominating committee, and any report of the committee, with the notice of the annual meeting. The ballot for Regional Directors at each annual election shall include those names nominated by the nominating committee plus those names nominated at the annual meeting.

d) The names of all nominees, along with their state of residence and Region, shall be listed on the ballot in order determined by random drawing. Members of the USTPA may cast their mail ballots for nominees from their Region. The person receiving the most number of votes from each Region shall be elected as Regional Director. Each Director will be elected by the members for a 2 year term, so that the terms of one Regional Director from each of the Regions shall terminate in odd numbered years, and the terms of one Regional Director from each of the Regions shall terminate in even numbered years.

e) Election of Regional Directors. A person who meets all qualification requirements to be a Regional Director and who has been duly nominated may be elected as a Regional Director. Regional Directors shall be elected by the vote of the membership of the Corporation. In electing Regional Directors, members may vote for up to as many nominees as there are Regional Directors to be elected, but

shall not be permitted to cumulate their votes by giving one candidate more than one vote. Notwithstanding the two-year term limit, each Regional Director shall hold office until a successor is elected and qualified. A Regional Director may be elected to succeed himself or herself as Regional Director, but not for more than two consecutive terms. Upon the creation of any new Region, Regional Directors will be appointed by the Board of Directors to serve until the next election of Regional Directors by the membership. At the first election of Regional Directors for a new Region, 2 Regional Directors shall be elected. With respect to the first election of Regional Directors for a New Region, the person receiving the most votes will be elected to a two year term and the person who received the next highest number of votes will be elected to a one year term.

4.04. Directors-at-Large will be elected by the Board of Directors. Each Director-at-Large must be a member of the Corporation, and be not less than 21 years of age. b) Each Director-at-Large shall serve until a successor is qualified and elected by the Board of Directors. The term for a Director at large will be one year. Any Director at Large may be elected to succeed himself or herself.

4.05. Rules. Each meeting of the Board of Directors shall be conducted in accordance with the most recent edition of Robert's Rules of Order, insofar as they are not inconsistent with law, the Articles of Incorporation of the corporation or these By-Laws. The President, or in his absence, the President-Elect shall appoint a person to act as parliamentarian of each meeting, who shall determine any question concerning the applicable rules of order.

4.06. Vacancies. Any vacancy occurring in the Board of Directors, and any Director position to be filled due to an increase in the number of Directors, shall be filled by the Board of Directors. A vacancy is filled by the affirmative vote of a majority of the remaining Directors, even if it is less than a quorum of the Board of Directors, or if it is a sole remaining Director. A Director elected to fill a vacancy shall be elected for the unexpired term of the vacant position.

4.07. Annual Meeting. The annual meeting of the Board of Directors may be held as a regular or special meeting of the Board.

4.08. Regular Meetings. The Board of Directors may provide for regular meetings by resolution stating the time and place of such meetings. The meetings may be held either within or without the State of Texas and shall be held at the Corporation's registered office in Texas if the resolution does not specify the location of the meeting. No notice of regular meetings of the Board is required other than a resolution of the Board of Directors stating the time and place of the meetings.

4.09. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors. A person or persons authorized to call special meetings of the Board of Directors may fix any place within or without Texas as the place for holding a special meeting. The person or persons calling a special meeting shall notify the secretary of the information required to be included in the notice of the meeting. The secretary shall give notice to the Directors as required by the Bylaws.

4.10. Notice. Written or printed notice of any special meeting of the Board of Directors shall be delivered to each Director not less than two nor more than 30 days before the date of the meeting. The notice shall state the place, day, and time of the meeting, who called the meeting, and the purpose or purposes for which the meeting is called.

4.11. Quorum. A majority of the number of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The Directors present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough Directors leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of Directors required to constitute a quorum. If a quorum is present at no time during a meeting, a majority of the Directors present may adjourn and reconvene the meeting one time without further notice.

4.12. Duties of Directors. Directors shall exercise ordinary business judgment in managing the affairs of the Corporation. Directors shall act as fiduciaries with respect to the interests of the members including maintaining confidentiality where required. In acting in their official capacity as Directors of this Corporation, Directors shall act in good faith and take actions they reasonably believe to be in the best interests of the Corporation and that are not unlawful. A Director shall not be liable if, in the exercise of ordinary care, the Director acts in good faith relying on written financial and legal statements provided by an accountant or attorney retained by the Corporation.

4.13. Action of Board of Directors. The vote of a majority of Directors present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the Board of Directors unless the act of a greater number is required by law or the bylaws. A Director who is present at a meeting and abstains from a vote is considered to be present and voting for the purpose of determining a quorum of the Board of Directors.

4.14. Proxies. A Director may not vote by proxy.

4.15. Compensation. Directors shall not receive compensation unless approved by the Board of Directors. The Board of Directors may, but need not, adopt a resolution providing for reimbursement to Directors of expenses, if any, for attendance at each meeting of the Board of Directors. A Director may serve the Corporation in any other capacity and receive compensation for those services.

4.16. Removal of Directors. A Director may be removed from office, with or without cause, upon a finding by the affirmative vote of a majority of the Board of Directors, then in office, that the best interest of the Corporation would be served by the removal of such Director. Any Director who fails to attend 3 consecutive meetings of the Board of Directors may be automatically removed and a vacancy shall be declared by the Board of Directors. Any vacancy so created shall be filled as provided in these bylaws.

Article 5 - Officers

5.01. Officer Positions and Executive Committee. The officers of the Corporation will comprise the Executive Committee of the Corporation.

The Executive Committee officer positions will be a president, president-elect, secretary, treasurer, one or more vice presidents, and immediate past president. The Executive Director shall be an ex-officio member of the Executive Committee. Any two or more offices may be held by the same person, except the offices of president and secretary. Officers must be members in good standing of the Corporation.

5.02. Election and Term of Office. The officers of the Corporation, except the immediate past president, shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. Each officer shall hold office until a successor is duly selected and qualified. An officer may be elected to succeed him or herself in the same office. Any officer who is not a Regional Director and meets the requirements of 4.04 becomes a Director-at-Large. The Executive Director shall not be a Director-at-Large or Regional Director of Corporation.

5.03. Duties of the Executive Committee. Duly elected officers will comprise the Executive Committee and the Executive Committee shall

- a) Meet as needed in person or by conference call and report to the Board of Directors.
- b) Address all issues and concerns surrounding operations of the USTPA.
- c) Bring forward any recommendations to the Board of Directors regarding any changes to the rules, by-laws, or policies of the USTPA.

5.04. Removal. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without good cause. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer.

5.05. Vacancies. A vacancy in any office may be filled by the Board of Directors for the unexpired portion of the officer's terms.

5.06. President:

- a) Shall be the chief executive officer of the Corporation.
- b) Shall supervise and control all of the business and affairs of the Corporation.
- c) Shall preside at all meeting of the members and of the Board of Directors.
- d) May execute any deeds, mortgages, bonds, contracts, or other instruments that the Board of Directors has authorized to be executed. However, the president may not execute instruments on behalf of the Corporation if this power is expressly delegated to another officer or agent of the Corporation by the Board of Directors, the bylaws, or statute.

e) Shall perform other duties prescribed by the Board of Directors and all duties incident to the office of president.

5.07. President-Elect shall:

- a) Perform the duties of the president when the president is absent, is unable to act, or refuses to act. When the president elect acts in place of the president, the president-elect shall have all the powers of and be subject to all the restrictions upon the president.
- b) Serve as Chairperson of the World Championship Committee
- c) Perform other duties assigned by the president or the Board of Directors

5.08 Secretary. The secretary shall:

- a) Supervise the taking of and approve the minutes prior to submitting the minutes to the Board of Directors for approval.
- b) Supervise all secretarial functions of the executive director.
- c) Chair the Membership Committee and perform other duties incident to the office of secretary and other duties assigned by the president or the Board of Directors.

5.09. Treasurer. The treasurer shall:

- a) Chair the finance committee.
- b) Monitor all financial matters related to the Corporation.
- c) Work with staff to develop the annual budget for the Corporation.
- d) Submit an annual financial report to the members at the annual meeting of members and report to the Board of Directors on financial matters.
- e) Supervise the performance of duties of the Executive Director related to financial matters.
- f) Perform other duties incident to the office of treasurer and other duties as assigned by the president or by the Board of Directors.
- g) If required by the Board of Directors, give a bond for the faithful discharge of his or her duties in a sum and with a surety as determined by the Board of Directors.

5.10. Vice President of Rules and By-Laws (Rules and By-Laws VP). This person shall:

- a) Chair the Rules and By-Laws committee.
- b) Review member input for changes to rules and by-laws
- c) Present committee recommendations for approval to Board of Directors (rules) or to the membership (by-laws)
- d) Perform other duties incident to the office and other duties as assigned by the president or by the Board of Directors.

5.11. Vice President of Production Quality and Control (Sanctioning VP). This person shall:

- a) Chair the Production and Quality Control (Sanctioning) committee.
- b) Responsible for developing programs for and monitoring the performance of all officials.
- c) Perform other duties incident to the office and other duties as assigned by the president or by the Board of Directors.

5.12. Vice President of Ratings (Ratings VP). This person shall:

- a) Chair the National Rating Committee (NRC).
- b) Coordinate with Regional Directors and Regional Rating Committees to maintain rider ratings as stated in rules.
- c) Perform other duties incident to the office and other duties as assigned by the president or by the Board of Directors.

5.13. Immediate Past President shall:

- a) Be the most immediate past president to complete his/her term
- b) Chair the Nominating Committee.
- c) Assist and advise the President.
- d) Perform other duties incident to the office and other duties as assigned by the president or by the Board of Directors.

5.14. Executive Director. The Executive Director shall be the Chief Operating Officer of the Corporation and may be a member. However, if a member, membership benefits will not include the right to compete in USTPA Sanctioned Shows nor any voting privileges. The executive Director shall:

- a) Establish and maintain an office for the Corporation.

- b) Record and maintain a record of all minutes of meetings held by the Executive Committee and the Board of Directors, subject to supervision of the secretary.
- c) Serve in the capacity of a general manager or chief operating officer for the Corporation, including the handling or supervision of all day-to-day operations of the Corporation such as business matters, contracts, membership lists, point standings from Sanctioned competitions, legal matters, and similar duties.
- d) Have charge and custody over all funds and securities of the Corporation, subject to the supervision of the treasurer.
- e) Receive and give receipts for monies due and payable to the Corporation from any source, subject to the supervision of the treasurer.
- f) Deposit all monies in the name of the Corporation in banks, trust companies, or other depositories as provided by the bylaws or as directed by the Board of Directors, president, or treasurer, and subject to the supervision of the treasurer.
- g) Write checks and disburse funds to discharge obligations of the Corporation, subject to the supervision of the treasurer. Funds may not be drawn from the Corporation or its accounts without two signatures, to include the president, a vice president, treasurer or executive director.
- h) Maintain the financial books and records of the Corporation, subject to the supervision of the treasurer.
- i) Prepare financial reports at least annually, subject to the supervision of the treasurer.
- j) Perform other duties as assigned by the president, treasurer, or the Board of Directors.
- k) If required by the Board of Directors, give a bond for the faithful discharge of his or her duties in a sum and with a surety as determined by the Board of Directors.
- l) Perform all of the duties incident to the office of a general manager or chief operating officer.

5.15. Compensation: Officers, other than the Executive Director, shall not receive salaries for their services to the Corporation, unless approved by the Board of Directors. The Board of Directors may, but need not, adopt a resolution providing for reimbursement to officers for expenses, if any, incurred in connection with their services to the Corporation. An officer may serve the Corporation in any other capacity and receive compensation for those services.

Article 6 - Committees

6.01. Establishment of Committees. The Board of Directors may adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. A committee shall include two or more Directors and may include members who are not Directors, but shall not be less than three persons. If the Board of Directors delegates any of its authority to a committee, the majority of the committee shall consist of Directors. The Board of Directors may establish qualifications for membership on a committee. The Board of Directors may delegate to the President its power to appoint and remove members of a committee that has not been delegated any authority of the Board of Directors. The establishment of a

committee or the delegation of authority to it shall not relieve the Board of Directors, or any individual Director, of any responsibility imposed by the bylaws or otherwise imposed by law. No committee shall have the authority of the Board of Directors to:

- a) Amend the articles of incorporation.
- b) Adopt a plan of merger or a plan of consolidation with another corporation.
- c) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the property and assets of the Corporation.
- d) Authorize the voluntary dissolution of the Corporation.
- e) Revoke proceedings for the voluntary dissolution of the Corporation.
- f) Adopt a plan for the distribution of the assets of the Corporation.
- g) Amend, alter or repeal the bylaws.
- h) Elect, appoint, or remove a member of a committee or a Director or officer of the Corporation.
- i) Approve any transaction to which the Corporation is a party and that involves a potential conflict of interest as defined in paragraph 7.04, below.
- j) Take any action outside the scope of authority delegated to it by the Board of Directors.
- k) Take final action on a matter that requires the approval of the members.

6.02. Standing Committees. There shall be seven standing committees:

- a) World Championship Committee. Chaired by the President Elect. Responsible for planning, preparation, and execution of the World Championship Show.
- b) Membership Committee. Chaired by the Secretary. Responsible for recommendation to the Board of Directors regarding application procedures, fees and qualifications for membership in the Corporation. An affirmative vote of the majority of the Membership committee present and voting shall be required for admission of any applicant who meets the membership qualifications then in effect.
- c) Finance Committee. Chaired by the Treasurer. Works with staff and President to develop budgets. Will review and present periodic financial statements and an annual budget to the Board of Directors.
- d) Rules and By-Laws Committee. Chaired by Vice President of Rules and By-Laws. Responsible for reviewing member input and suggestions for revisions to rules and by-laws and making recommendations to the Board of Directors or membership as needed.
- e) Production Quality and Control (Sanctioning) Committee. Chaired by Vice President of Production Quality and Control. In conjunction with staff, reviews and approves applications for all sanctioned shows. Also responsible for developing programs for and monitoring the performance of all officials.
- f) National Rating Committee. Chaired by Vice President of Ratings. Periodically reviews rider ratings in coordination with Regional Rating committees and Regional Directors as stated in the rules.
- g) Nominating Committee. Chaired by Immediate Past President. Responsible for offering nominations for Board of

Director and Executive Committee positions as stated in these by-laws.

6.03. Authorization of Specific Committees. There shall be such committees as the Board of Directors shall from time to time designate. The Board of Directors shall define the activities and scope of authority of each committee by resolution.

6.04. Term of Office. Each member of a committee shall continue to serve on the committee at the pleasure of the Board of Directors. However, the term of a committee member may terminate earlier if the committee is terminated or if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee shall serve for the unexpired portion of the terminated committee member's term.

6.05. Chair and Vice-Chair. One member of each committee shall be designated as the chair of the committee and another member of each committee shall be designated as the vice-chair. The chair and vice-chair shall be appointed by the president of the Corporation. The chair shall call and preside at all meetings of the committee. When the chair is absent, is unable to act, or refuses to act, the vice-chair shall perform the duties of the chair. When a vice-chair acts in place of the chair, the vice-chair shall have all the powers of and be subject to the restrictions upon the chair.

6.06. Notice of Meetings. Written or printed notice of a committee meeting shall be delivered to each member of a committee not less than 3 days before the date of the meeting. The notice shall state the place, day, and time of the meeting, and the purpose of purposes for which the meeting is called. Attendance by any member of the committee at a committee meeting shall constitute waiver of notice of the meeting.

6.07. Quorum. A majority of the number of members of a committee shall constitute a quorum for the transaction of business at any meeting of the committee. The committee members present at a duly called or held meeting at which a quorum is present may continue to transact business even if enough committee members leave the meeting so that less than a quorum remains. However, no action may be approved without the vote of at least a majority of the number of committee members required to constitute a quorum. If a quorum is present at no time during a meeting, the chair may adjourn and reconvene the meeting one time without further notice.

6.08. Actions of Committees. The vote of a majority of committee members present and voting at a meeting at which a quorum is present shall be sufficient to constitute the act of the committee unless the act of a greater number is required by law or the bylaws. A committee member who is present at a meeting and abstains from a vote is considered to be present for the purpose of determining a quorum of the committee.

6.09. Proxies. A committee member may not vote by proxy.

6.10. Compensation. Committee members shall not receive salaries for their services. The Board of Directors, may, but need not, adopt a resolution providing for payment to committee members of expenses, if any, for attendance at each meeting of the committee. A committee member may

serve the Corporation in any other capacity and receive compensation for those services.

6.11. Rules. Each committee may adopt rules for its own operation not inconsistent with the bylaws or with rules adopted by the Board of Directors.

Article 7 - Transactions of the Corporation

7.01. Contracts. The Board of Directors may authorize any officer or agent of the Corporation to enter into a contract or execute and deliver any instrument in the name of and on behalf of the Corporation. This authority may be limited to a specific contract or instrument or it may extend to any number and type of possible contracts and instruments.

7.02. Deposits. All funds of the Corporation shall be deposited to the credit of the Corporation in banks, trust companies, or other depositories selected by officers and approved by the Board of Directors from time to time.

7.03. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation. The Board of Directors may make gifts and give charitable contributions that are not prohibited by the bylaws, the articles of incorporation, state law, and any requirements for maintaining the Corporation's federal and state tax status.

7.04. Potential Conflicts of Interest. The Corporation shall not make any loan to a Director or officer of the Corporation.

A member, Director, officer, or committee member of the Corporation may lend money to and otherwise transact business with the Corporation except as otherwise provided by the bylaws, articles of incorporation, and all applicable laws. Such a person transacting business with the Corporation has the same rights and obligations relating to those matters other persons transacting business with the Corporation. The Corporation shall not borrow money from or otherwise transact business with a member, Director, officer, or committee member of the Corporation unless the transaction is described fully in a legally binding instrument and is in the best interests of the Corporation. The Corporation shall not borrow money from or otherwise transact business with a member, Director, officer, or committee member of the Corporation without full disclosure of all relevant facts and without the approval of the Board of Directors, not including the vote of any person having a personal interest in the transaction.

7.05. Prohibited Acts. **As long as the Corporation is in existence, no member, Director, officer, or committee member of the Corporation shall:**

- a) Do any act in violation of any applicable statute or law.
- b) Do any act in violation of the bylaws or a binding obligation of the Corporation.
- c) Do any act with the intention of harming the Corporation or any of its operations.
- d) Do any act that would make it impossible or unnecessarily difficult to carry on the intended or ordinary business of the Corporation.
- e) Receive an improper personal benefit from the operation of the Corporation.
- f) Use the assets of this Corporation, directly or indirectly, for any purpose other than carrying on the business of this Corporation.

- g) Wrongfully transfer or dispose of Corporation property, including intangible property such as good will.
- h) Use the name of the Corporation (or any substantially similar name) or any trademark or trade name adopted by the Corporation, except on behalf of the Corporation in the ordinary course of the Corporation's business.
- i) Disclose any of the Corporation business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

Article 8 - Books and Records

8.01 Required Books and Records. The Corporation shall keep correct and complete books and records of account.

The Corporation's books and records shall include:

- a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Corporation, including, but not limited to, the articles of incorporation, and any articles of amendment, restated articles, articles of merger, articles of consolidation, and statement of change of registered office or registered agent.
- b) A copy of the bylaws, and any amended versions or amendments to the bylaws.
- c) Minutes of the proceedings of the members, Board of Directors, and committees having any of the authority of the Board of Directors.
- d) A list of the names and addresses of the members, Directors, officers, and any committee members of the Corporation.
- e) A financial statement showing the assets, liabilities, and net worth of the Corporation at the end of the three most recent fiscal years.
- f) A financial statement showing the income & expenses of the Corporation for the three most recent fiscal years.
- g) All rulings, letters, and other documents relating to the Corporation's federal, state, and local tax status.
- h) The Corporation's federal, state, and local information or income tax returns for each of the Corporation's three most recent tax years.

8.02. Inspection. Any member, Director, officer, or committee member of the Corporation may inspect all books and records of the Corporation required to be kept by the bylaws. Such a person may inspect if the person has a proper purpose related to the person's interest in the Corporation and if the person submits a request in writing. Any person entitled to inspect the Corporation's books and records may do so through his or her attorney or other duly authorized representative. A person entitled to inspect the Corporation's books and records may do so at a reasonable time no later than fifteen working days after the Corporation's receipt of a proper written request.

8.03. Audits. Any member shall have the right to have an audit conducted of the Corporation's books. The member requesting the audit shall bear the expense of the audit unless the Board of Directors votes to authorize payment of audit expenses. The member requesting the audit may select the accounting firm to conduct the audit. A member may not exercise these rights to

compel audits so as to subject the Corporation to an audit more than once in any fiscal year.

Article 9 - Fiscal Year

The fiscal year of the Corporation shall begin on January 1 and end on December 31.

Article 10 - Indemnification

10.01 When Indemnification is Required, Permitted, and Prohibited.

a) The Corporation shall indemnify a Director, officer, committee member, employee, or agent of the Corporation who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Corporation, including (but not limited to) acts or omissions while serving as a Director-In-Charge at an event Sanctioned by the Corporation. For the purposes of this article, an agent includes one who is or was serving at the request of the Corporation as a Director, officer, partner, venturer, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee benefit plan, or other enterprise. However, the Corporation shall indemnify a person only if he or she acted in good faith and reasonably believed that the conduct was in the Corporation's best interest. In the case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Corporation shall not indemnify a person who is found liable to the Corporation or is found liable to another on the basis of improperly receiving a personal benefit. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction and all appeals have been exhausted.

b) The termination of a proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Corporation. c) The Corporation shall pay or reimburse expenses incurred by a Director, officer, member, committee member, employee, or agent of the Corporation in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the corporation when the person is not a named defendant or respondent in the proceeding.

d) In addition to the situations otherwise described in this paragraph, the Corporation may indemnify a Director, officer, member, committee member, employee, or agent of the Corporation to the extent permitted by law. However, the Corporation shall not indemnify any person in any situation in which indemnification is prohibited by the terms of paragraph 10.01(a) above.

e) Before the final disposition of a proceeding, the Corporation may pay indemnification expenses permitted by the bylaws and authorized by the Corporation. However, the Corporation shall not pay indemnification expenses to a person before the final disposition of a proceeding if: the person is a named defendant or respondent in a proceeding brought by the Corporation or more members; or the person

is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

f) If the Corporation may indemnify a person under the bylaws, the person may be indemnified against judgments, penalties, including excise and similar taxes, fines, settlements, and reasonable expenses (including attorney's fees) actually incurred in connection with the proceeding. However if the proceeding was brought by or on behalf of the Corporation, the indemnification is limited to reasonable expenses actually incurred by the person in connection with the proceeding.

10.02 Procedures Relating to Indemnification Payments.

a) Before the Corporation may pay any indemnification expenses (including attorney's fees), the Corporation shall specifically determine that indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in paragraph 10.02 below;

(b) The Corporation may make these decisions and determinations by any one of the following procedures:

i. Majority vote of a quorum consisting of Directors who, at the time of the vote, are not named defendants or respondents in the proceeding.

ii. If such a quorum cannot be obtained, by a majority vote of a committee of the Board of Directors, designated to act in the matter by a majority vote of all Directors, consisting solely of two or more Directors who at the time of the vote are not named defendants or respondents in the proceeding.

iii. Determine by special legal counsel selected by the Board of Directors by vote as provided in paragraph 10.02(a)(i) or 10.02(a)(ii), or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.

iv. Majority vote of members, excluding Directors who are named defendants or respondents in the proceeding.

b) The Corporation shall authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If the determination that indemnification is permissible is made by special legal counsel, authorization of indemnification and determination of reasonableness of expenses shall be made in the manner specified by paragraph 10.02(a) (iii), above, governing the selection of special legal counsel. A provision contained in the articles of incorporation, the bylaws, or a resolution of members or the Board of Directors that requires the indemnification permitted by paragraph 10.01 above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.

c) The Corporation shall pay indemnification expenses before final disposition of a proceeding only after the Corporation determines that the facts then known would not preclude indemnification and the Corporation receives a written affirmation and undertaking from the person to be indemnified. The determination that the facts then known to those making the determination would not preclude

indemnification and authorization of payment shall be made in the same manner as a determination that indemnification is permission under paragraph 10.02(a) above. The person's written affirmation shall state that he or she has met the stand of conduct necessary for indemnification under the bylaws. The written undertaking shall provide for repayment of the amount paid or reimbursed by the Corporation if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking shall be an unlimited general obligation of the person, but it need not be secured and it may be accepted without reference to financial ability to make repayment.

d) Any indemnification or advance of expenses shall be reported in writing to the members of the Corporation. The report shall be made with or before the notice of waiver of notice of the next membership meeting, or with or before the next submission to the members of a consent to action without a meeting. In any case, the report shall be sent within the 12-month period, immediately following the date of the indemnification or advance.

Article 11 - Notices

11.01. Notice by mail or electronic mail. Any notice required or permitted by the bylaws to be given to a member, Director, officer, or member of a committee of the Corporation shall be by written notice and may be delivered in person, by mail, electronic mail or facsimile transmission. If mailed, a notice shall be deemed to be delivered when deposited in the United States mail addressed to the person at his or her address as it appears on the records of the Corporation, with postage prepaid. If notice be given by electronic mail or facsimile, a notice shall be deemed to be delivered when transmitted. A person may change his or her address by giving written notice to the secretary of the Corporation.

11.02. Signed Waiver of Notice. Whenever any notice is required to be given under the provisions of the Act or under the provisions of the articles of incorporation or the bylaws, a waiver in writing signed by a person entitled to receive a notice shall be deemed equivalent to the giving of the notice. A waiver of notice shall be effective whether signed or after the time stated in the notice being waived.

11.03. Waiver of Notice by Attendance. The attendance of a person at a meeting shall constitute a waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business.

Article 12 - Special Procedures Concerning Meetings

12.01. Meeting by Telephone. The Board of Directors and any committee of the Corporation may hold a meeting by telephone conference-call procedures in which all persons participating in the meeting can hear each other. The notice of a meeting by telephone conference must state the fact that the meeting will be held by telephone as well as all other matters required to be included in the notice. Participation of a person in a conference call meeting constitutes presence of that person at the meeting.

12.02 Decision with Meeting. Any decision required or permitted to be made at a meeting of the Board of Directors or

any committee of the Corporation may be made without a meeting. A decision without a meeting may be made if a written consent to the decision is signed by all of the persons entitled to vote on the matter. The original signed consents shall be maintained by the Corporation.

12.03. Voting by Proxy. A person who is authorized exercise a proxy may not exercise the proxy unless the proxy is delivered to the officer presiding at the meeting before the business of the meeting begins. The secretary or other person taking the minutes of the meeting shall record in the minutes the name of the person authorized to exercise the proxy. If a person who has duly executed a proxy personally attends a meeting, the proxy shall not be effective for that meeting. A proxy filed with the secretary or other designated officer shall remain in force and effect until the first of the following occurs:

- a) An instrument revoking the proxy is delivered to the secretary or other designated officer.
- b) The proxy authority expires under the terms of the proxy.
- c) The proxy authority expires under the terms of the bylaws.
- d) One year from the date of the proxy.

Article 13 - Amendments to Bylaws

The bylaws of the Corporation may be altered, amended, or replaced, and new bylaws may be adopted only by the membership of the Corporation, although proposals for bylaw changes may be made by the Board of Directors. The notice of any meeting at which the bylaws are altered, amended, or repealed, or at which new bylaws are adopted shall include the text of the proposed bylaws provisions as well as the text of any existing provisions proposed to be altered, amended, or repealed. Alternatively, the notice may include a fair summary of those provisions. The following types of bylaw amendments may be adopted only by the members:

- A) Setting or changing the authorized number of Directors,
- B) Changing from a fixed number to a variable number of Directors or vice versa,
- C) Increasing or extending the terms of Directors,
- D) Increasing quorum for membership meetings,
- E) Repealing, restricting, creating, expending, or otherwise changing the proxy rights of members,
- F) Authorizing or prohibit cumulative voting.

Article 14 - Miscellaneous Provisions

14.01. Legal Authorities Governing Construction of Bylaws. The bylaws shall be construed in accordance with the laws of the State of Texas. All references in the bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

14.02. Legal Construction. If any bylaw provision is held to be invalid, illegal, or un-enforceability shall not affect any other provision and the bylaws shall be construed as if the invalid, illegal, or unenforceable provision had not been included in the bylaws.

14.03. Headings. The headings used in the bylaws are used for convenience and shall not be considered in construing the terms of the bylaws.”

14.04. Gender. Wherever the context requires, all words in the bylaws in the male gender shall be deemed to include

the female or neuter gender, all singular words shall include the plural, and all plural words shall include the singular.

14.05. Seal. The Board of Directors may provide for a corporate seal.

14.06. Power of Attorney. A person may execute any instrument related to the Corporation by means of a power of attorney if an original executed copy of the power of attorney is provided to the secretary of the Corporation to be kept with the Corporation records.

14.07. Parties Bound. The bylaws shall be binding upon and inure to the benefit of the members, Directors, officers, committee members, employees, and agents of the Corporation and their respective heir, executors, administrators, legal representatives, successors, and assigns except as otherwise provided in the bylaws.

Delete USTPA Governance Structure
