

Bylaws of the Central Roadracing Association, Inc.

ARTICLE I NAME AND LOCATION

Section 1. Name. The name of the corporation shall be the Central Roadracing Association, Inc.

Section 2. Purpose. The purpose of this organization is to operate motorcycle road races in a fair and safe manner.

Section 3. Nonprofit Law. This organization shall be governed by the Minnesota Non-Profit Corporation Act, Minnesota Chapter 317A, as modified by these bylaws within the parameters of the Act.

ARTICLE II VOTING MEMBERS

Section 1. Voting membership. Voting members shall meet the qualifications set by resolution of the Board of Directors, and pay dues according to a schedule established by the Board. A list of the voting membership of this corporation shall be kept by the Secretary of the corporation pursuant to Article IV, Section 4 of these Bylaws.

Section 2. Non-voting membership. Non-voting members shall meet the qualifications set by resolution of the Board of Directors, and pay dues, if any, according to a schedule established by the Board.

Section 3. Voting rights. The only voting right held by voting members is that of electing and removing Directors in accordance with Article III, Section 2 and Section 4, of these Bylaws. Each voting member shall have 1 (one) vote.

Section 4. Proxy Voting. Proxy voting shall be permitted. Proxies shall be cast or authorized by the means set out in, and subject to revocation in accord with, Minnesota Statutes, sec. 317A.453, subds. 1 and 3, as now enacted or later amended. Appointment of a proxy by a member shall be made on a form adopted by the Board, which form shall also state the maximum period of time that the appointment may be in effect (although the period of effect may be set to a shorter time specified by the member). The act of the Board to change the maximum period of time that proxy appointments may be in effect shall not nullify any proxies registered with the corporation at the date of the change.

Section 5. Membership year and dues. The Board of Directors shall have the right to determine the dues or other payments to be made by the members of this corporation. The membership year for the members of this corporation shall be from March 1 until the last day of February.

Section 6. Interest in property. The members of this corporation shall not, as such, have any right, title or interest in the real or personal property of this corporation.

Section 7. Resignation. Any member may resign their membership at any time by giving written notice to the Board of Directors or to the Secretary. Such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any member who resigns membership shall not be entitled to a refund of any dues or other payments made to this corporation. Resignation shall not relieve any member of the obligation to pay any debts owed to the corporation.

Section 8. Suspension / Expulsion. Any member may be expelled or suspended for infraction of the rules or such other cause as may be determined by the Board as not being in the best interests of the club, provided that the board shall provide the member a reasonable opportunity to be heard by it prior to taking any such action. Any such member shall be notified by the Secretary by mail at least 15 days prior to the date of the meeting at which suspension is to be considered. The member may respond in person or in writing and may present witnesses on their behalf.

Section 9. Access to Materials. Each voting member shall be supplied with a copy of the current rule book and the Bylaws at the time they establish (or renew) their annual membership.

ARTICLE III BOARD OF DIRECTORS

Section 1. Appointment or election. Except as otherwise provided herein, the Board of Directors of this corporation shall consist of seven (7) natural persons.

Section 2. Election. Election of directors shall be made through ballot voting by the members in accordance with Article IV, Section 5 of these Bylaws.

Section 3. Terms. Except as otherwise provided herein, each director of this corporation shall be appointed or elected to serve for a term of two (2) years. A director shall hold office for the term for which he or she was appointed or elected and until the end of the meeting at which her or his successor has been appointed or elected and until such successor has qualified, or until the director's prior death, resignation or removal. Service of consecutive terms shall be limited to five (5) terms. The terms of office for Directors shall be timed as far as practical to coincide with the fiscal year of the Corporation. In even years four Directors shall be elected, and in odd years, three Directors shall be elected.

Section 4. Removal and vacancies. Any director may at any time be removed with or without cause by the members or the Board of Directors. Thereafter, any vacancy occurring because of the death, resignation or removal of a director shall be filled by the Board of Directors. The procedure for members' action to remove a Director shall be as provided Article IV, Section 6.

Section 5. Interim board. Until the first annual meeting to be held after the adoption of these By-laws, the Board of Directors of this corporation shall be comprised of the natural persons enumerated in the attached Exhibit A, hereby incorporated by reference and made a part of these By-laws. A vacancy occurring because of the death, resignation or removal of a director on the interim board shall be filled by the remaining directors.

ARTICLE IV MEETINGS OF THE MEMBERS

Section 1. Regularly Scheduled Forums. Regular Forums open to the entire membership shall be held on the first Tuesday of every month. Notice of date, time, and location of such forums shall be published in the monthly newsletter sent to each active member who is entitled to receive one. The Rules Forum shall be open to the entire membership, and shall be held at a time to be determined by the Board of Directors. The Rules Forum shall be at least 3 meetings, or as determined by the Board of Directors.

Section 2. Special Forums. Special Membership Forums may be called at any time (a) by the President, (b) by the Board of Directors, (c) upon written request of ten percent, or fifty (whichever is less), of the voting members of this corporation. The business transacted at a special forum shall be limited to the purposes stated in the notice of the forum.

Section 3. Notice. Notice of the time and place of other and special forums shall be mailed by the secretary at least ten (10) days prior to the scheduled forum to each member at the most recent address on file with the corporation.

Section 4. Members list for Directors Election or Action to Remove a Director. The Board of Directors shall fix a date not more than sixty days before the date of a vote of the members as of the date for determination of the voting members entitled to notice. Whensoever the Board fails to set such a date, the date shall be the sixtieth day before the date of the voting. After fixing a record date for the voting, the Secretary shall prepare a list of the names (in alphabetical order) and addresses of each member entitled to vote. Beginning two business days after notice is given, the list shall be available at the principal office of this corporation for inspection and copying on written demand by any member (or the agent or attorney of any member), at the member's expense, for the sole purpose of communication with other members concerning the voting. The list shall be made available through the date of the voting.

Section 5. Directors' Election. The ballots of ten (10) percent of the voting members shall constitute a quorum sufficient to have a valid election. A majority of the total number of votes cast by the members for each Director's seat to be filled shall prevail. Members shall vote by written ballot following the procedures set forth in Minnesota Statutes Section 317A.447 (2002) as now enacted or hereinafter amended. The ballot provided to members for Election of the Board of Directors shall specify the number of vacant board seats, the number of ballots that must be returned to establish a quorum, and a statement that majority vote is required to elect a Director. Ballots in even numbered years shall designate Four (4) choices, and in odd years, Three (3) choices. Ballots shall be prepared by the Secretary or their designee.

Section 6. Quorum in Action to Remove a Director. Voting members taking action to remove a Director shall only be effective with participation of no less than 51% of all voting members enrolled at the record date for the meeting at which removal is to be acted upon. Action to remove a Director shall require a two-thirds vote of those attending once such a quorum is established.

ARTICLE V MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Regular meetings. Regular meetings of the Board of Directors may be held at such time and place as shall from time to time be determined by resolution of the Board. After the time and place of such regular meetings have been so determined, no notice of such regular meetings need be given. Meetings may be held elsewhere, or at alternative times, if the notice of the meeting clearly provides so. Notice of any change in the place or time of holding any regular meeting, or of any adjournment of a regular meeting to reconvene at a different place, shall be given personally, by mail (postage prepaid), or telephone (including facsimile communication), not less than two days before the meeting, excluding the day of the meeting, to all directors who were absent at the time such action to schedule the meeting was taken.

Section 2. Special meetings. Special meetings of the Board of Directors for any purpose or purposes shall be called by the President or at the written request of any two or more Director. Such request shall state the purpose(s) of the proposed meeting. The President of this corporation shall give notice of all special meetings to each director, stating the time and place thereof, and the purposes for which such meeting is convened, by mail (postage prepaid), not less than three (3) nor more than sixty (60) days before the meeting, excluding the day of the meeting, to the director's last known address, or by personally delivering or telephoning the director such notice, no later than two days prior to the day of the meeting. The business transacted at all special meetings of directors shall be confined to the subject(s) stated in the notice and to matters germane thereto, unless all directors of the corporation are present at such meeting and consent to the transaction of other business.

Section 3. Notice. A Director may waive notice of a meeting of the Board, and such waiver is effective whether given in writing, orally, or by attendance. Attendance by a Director at a meeting is a waiver of notice of that meeting, unless the Director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate in the meeting.

Section 4. Quorum. A majority of the number of Board of Directors' seats which are not vacant shall be necessary to constitute a quorum for the transaction of business and the act of a majority of the directors present at such meeting shall be the act of the Board, except where otherwise provided by statute or these By-laws. If a quorum is present when a duly called or held meeting is convened, the directors present may continue to transact business until adjournment, even though the withdrawal of directors originally present leaves less than the proportion or number otherwise required for a quorum.

Section 5. Conflict of Interest, Special Provision. Any person who is a party to any disputed action or ruling occurring at any race shall not vote as a Director on said action or ruling which may come before the Board of Directors for resolution. Should any principal party to such action currently serving as a Director fail to announce an intention to abstain from voting, the President or Vice President may require him to abstain. In addition, see Article VII of these Bylaws.

Section 6. Directors' Compensation. Directors shall not receive any financial compensation for their services. Any out of pocket expenses incurred by a Director may be reimbursed at the discretion of the Board.

ARTICLE VI OFFICERS

Section 1. Officers. The officers of this corporation shall consist of, at minimum, a President, a Vice President, a Secretary and a Treasurer, all of whom shall be chosen by the Board of Directors. Directors shall fill the offices of President and Secretary. No two offices may be held by the same person.

Section 2. Method of selection. The Board elects officers at their first meeting subsequent to the annual seating of new Directors.

Section 3. Tenure of office and removal. The term of office of each of the offices of this corporation shall be for one year or until the election of successors. Any officer may be removed at any time prior to the expiration of his or her term by affirmative vote of a majority of the directors. Any vacancy occurring in an executive office shall be filled by the Board of Directors.

Section 4. President. The President shall have general active management of the business of the corporation when present, preside at meetings of the board or of the corporation's members, if any; see that orders and resolutions of the board are carried into effect; sign and deliver in the name of this corporation deeds, mortgages, bonds, contracts, or other instruments pertaining to the business of the corporation, except in cases in which the authority to sign and deliver is required by law to be exercised by another person or is expressly delegated by this corporation's organizational documents or by the board to another officer or agent of the corporation; maintain records of and, when necessary, certify proceedings of the board; and perform other duties prescribed by the board. The President shall preside over meetings using Robert's Rules of Order and shall be the ultimate arbiter of their interpretation.

Section 5. Vice President. The Vice President shall perform all duties of the President in case of the absence, inability, or refusal to act by the President, and shall be the publicity agent of the Corporation with all duties and responsibilities ordinarily incident to that position.

Section 6. Secretary. The Secretary shall keep the corporation's records and minutes, fulfill the usual duties required by such office, and perform such other duties and exercise such other powers as may from time to time be imposed upon that position by resolution of the board.

Section 7. Treasurer. The Treasurer shall keep accurate financial records for the corporation, deposit money, drafts, and checks in the name of and to the credit of the corporation in the banks and depositories designated by the board; endorse for deposit notes, checks and drafts received by the corporation as ordered by the board, making proper vouchers for the deposit; disburse corporate funds and issue checks and drafts in the name of the corporation, as ordered by the board; and at the beginning of each term, or upon request, provide the President and the board an account of transactions by the Treasurer and of the financial condition of the corporation.

ARTICLE VII COMMITTEES

Section 1. Authority. The Board of Directors may act by and through such committees as may be specified in resolutions adopted by a majority of the members of the Board of Directors. Each such committee shall have such duties and responsibilities as are granted to it from time to time by the Board of Directors, and shall at all times be subject to the control and direction of the Board of Directors. Committee members need not be Directors. To the extent authorized by the Board of Directors, items may be brought before the Membership Forum or the Rules Forum as though it was a committee.

ARTICLE VIII CONFLICT OF INTEREST/INDEMNIFICATION

Section 1. Director conflicts of interest. This corporation shall not enter into any contract or transaction with (a) one or more of its directors, officers, or a member of the immediate family of its director or officer, (b) a director or officer of a related organization, or a member of the immediate family of a director or officer of a related organization, or (c) an organization in or of which the corporation's director or officer, or member of the immediate family of its director or officer, is a director,

officer, legal representative or has a material financial interest; **unless the material facts as to the contract or transaction and as to the interest of the director(s) or officer(s) are fully disclosed or known to the Board of Directors, and the Board of Directors authorizes, approves, or ratifies the contract or transaction in good faith by the affirmative vote of a majority of the directors (not counting any vote that the interested director or officer might otherwise have, and not counting the interested director or officer in determining the presence of a quorum.) In light of the preceding sentence's mandate, the Board of Directors shall adopt a policy specifying procedures to be followed by the corporation to approve any transactions where a conflict exists.** However, failure to comply with this Section shall not invalidate any contract or transaction to which this corporation is a party.

Section 2. Conflicts of interest: definitions. For purposes of the prior section, "immediate family" encompasses the following individuals: spouses, domestic-partners-in-fact, parents, children, children's spouses or children's domestic-partners-in-fact, siblings, or spouses or domestic-partners-in-fact of siblings. "Domestic-partner-in-fact" is used with respect to those designated as the intended life partner of an individual or otherwise identified as being related to that individual through intended long term ties of love, affection, responsibility, and commitment common to those undertaken in marriages recognized by the State, regardless of whether such relationship is defined by or otherwise recognized by any governmental authority. Per Minnesota law, "material financial interest" encompasses, but is not limited to, an individual's relationship to an organization with respect to which rights of the individual exist, whether or not yet vested, for payment of dividends, profit-sharing, compensation, reimbursement of expenses, repayment of obligations or other liabilities, from the organization, but for purposes of the prior section "material financial interest" does not include fixing the compensation of the director or fixing the compensation of another director as a director, officer, employee, or agent of the corporation, even though the first director is also receiving compensation from the corporation.

Section 3. Conflict of interest policy. The need for a conflict of interest policy that staff members, officers, and Directors shall adhere to is established by the immediately two preceding Sections of this Article. Such policy shall be established and annually reviewed by the Board of Directors. At a minimum, such policy shall require the certification by all individuals who are subject to it that they have read the policy and agree to abide by it, and along with same, shall provide on at least an annual basis to the Secretary of this corporation a list of all organizations and individuals who comprise their "immediate family" or with whom they have a "material financial interest" as such terms are defined in the preceding Article's Section 2.

Section 4. Insurance. This corporation may, to the full extent permitted by applicable law from time to time in effect, purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or member of a committee of this corporation against any liability asserted against such person and incurred by such person in any such capacity.

Sections 5 thru 7 of this Article (concerning indemnification) are incorporated by reference from the separate attachment A to these By-laws.

ARTICLE IX MISCELLANEOUS

Section 1. Fiscal year. The fiscal year of the corporation shall be from October 1 to September 30.

Section 2. Electronic communications. A director or committee member may participate in a meeting by any means of communication through which such person, other persons so participating, and all persons physically present at the meeting are simultaneously present to each other during the meeting. Participation in a meeting by that means constitutes presence in person at the meeting. A conference among directors or committee members by any means of communication through which such persons may simultaneously be present to each other during the conference is a meeting of the Board of Directors or committee, as the case may be, if the same notice is given of the conference as would be required for a meeting, and if the number of persons participating in the conference would be sufficient to constitute a quorum at a meeting. Participation in a meeting by that means constitutes presence in person at the meeting.

Section 3. Amendment. These Bylaws may only be amended by a two-thirds vote of the Board of Directors. Proper notice of the proposed amendment or repeal must precede a Board meeting at which the amendment will be considered and must include the substance of the proposed amendment.

Section 4. The Framstad Provision. The Corporation shall not assign the competition number 77 to any competition member. The number 77 is permanently retired in honor and memory of Don Framstad, Founding member, Board member, Technical Inspector, Champion Racer and Good Friend.

Attachment A

Section 5. Indemnification: Coverage. To the full extent permitted by any applicable law, and subject to the procedural limitations noted in Section 7, following, this corporation shall indemnify each person made or threatened to be made a party to any threatened, pending or completed civil, criminal, administrative, arbitration, or investigative proceeding, including a proceeding by or in the right of this corporation, against the expenditures enumerated in Section 6, herein, by reason of the former or present capacity of the person as:

- (a) a director, officer, employee, or member of a committee of this corporation, or
- (b) a governor, director, officer, partner, trustee, employee or agent of another organization (including employee benefit plans), who while a director, officer, employee, or member of a committee of this corporation, is or was serving another organization at the request of this corporation, or whose duties as a director, officer, employee, or member of a committee of this corporation involve or involved such service to another organization.

Section 6. Indemnified expenditures. Indemnification is mandatory, if, with respect to the acts or omissions of the person complained of in the proceeding, the person:

- 6.1 has not been indemnified by another organization or employee benefit plan for the same liability described in the preceding paragraph with respect to the same acts or omissions;
- 6.2 acted in good faith;
- 6.3 received no improper personal benefit and section 317A.255 of Minnesota Statutes (2002), as now enacted or hereinafter amended, regarding conflicts of interest, has been satisfied;
- 6.4 in the case of a criminal proceeding, did not have reasonable cause to believe the conduct was unlawful; and
- 6.5 in the case of acts or omissions occurring by a director, officer, employee, or member of a committee of this corporation acting in such official capacity, reasonably believed that the conduct was in the best interests of this corporation, or in the case of acts or omissions occurring by a director, officer, employee, or member of a committee of this corporation who is or was serving another organization at the request of this corporation, or whose duties as a director, officer, employee, or member of a committee of this corporation involve or involved such service to another organization, reasonably believed that the conduct was not opposed to the best interests of this corporation.

Section 7. Indemnification: Eligibility, advances, and ancillary recovery. Any indemnification realized other than under this Article shall apply as a credit against the indemnification provided herein.

7.1 Determination of eligibility for indemnification payments or advances shall be made in accord with section 317A.521, subd. 6 of Minnesota Statutes (2002) as now enacted or hereinafter amended. In essence, same provides that whether a person is entitled to payment or reimbursement of expenses in advance of the final disposition of the relevant proceedings shall be made:

- 7.1.1 By the board by a majority of a quorum; directors who are at the time parties to the proceeding are not counted for determining a majority or the presence of a quorum;
- 7.1.2 if a quorum under 7.1.1 cannot be obtained, by a majority of a committee of the board, consisting solely of two or more directors not at the time parties to the proceeding, duly designated to act in the matter by a majority of the full board including directors who are parties;
- 7.1.3 If a determination is not made under 7.1.1 or 7.1.2, by special legal counsel, selected either by a majority of the board or a committee by vote constituted under 7.1.1 or 7.1.2, respectively, or, if the requisite quorum of the full board cannot be obtained and the committee cannot be established, by a majority of the full board including directors who are parties;
- 7.1.4 if a determination is not made under 7.1-7.3 preceding, by the members with voting rights, other than members who are parties to the proceeding; or
- 7.5 if an adverse determination is made under 7.1.1-7.1.4 preceding, or 7.2 following, or if no determination is made within 60 days after the termination of a proceeding or after a request for an advance of expenses, by a court in this state, which may be the court in which the proceeding involving the person's liability took place, upon application of the person and notice the court requires.

7.2 With respect to a person who is not, and was not at the time of the acts or omissions complained of in the proceedings, a director, officer, or person having, directly or indirectly, the power to direct or cause the direction of the management or policies of the corporation, the determination whether indemnification of this person is required because the criteria in Section 5 of this Article has been satisfied and whether this person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding under section 317A.521, subd. 3 of *Minnesota Statutes* (2002) may be made by an annually appointed committee of the board, having at least one member who is a director (said committee shall report at least annually to the board concerning its actions.)