

BY-LAWS

INTERNATIONAL PASO HORSE FEDERATION, INC.

(A Florida Not For Profit Corporation)

ARTICLE I NAME

The name of this corporation shall be International Paso Horse Federation, Inc. (hereinafter called "the Federation").

ARTICLE II PURPOSE AND MISSION

The purpose and mission of the Federation are to promote and foster education about the Paso show horse through shows (competition), demonstration events and other activities conducted under the direction of owners and breeders of Paso horses while maintaining the integrity, culture, history and tradition of the Paso competition horse.

ARTICLE III MEMBERS AND MEMBERSHIPS

3.1 Members. Members of Federation shall be admitted, suspended and expelled in accordance with such rules and regulations as the Board of Directors of the Federation (the "Board") may, from time to time, adopt. Membership in the Federation is a privilege, not a right, application for which shall be made on forms and by fees and procedures prescribed from time to time by the Federation. Membership, or application therefor, may be terminated or rejected by the Executive Committee or Board for cause detrimental to the interest of the Federation, or to its programs, policies, objectives or the harmonious relations of its members. Termination or application rejection proceedings under this paragraph shall be conducted under the Federation's disciplinary procedures for notice, hearing and temporary suspension; the effect of termination or rejection may be the denial of the privileges of the Federation, as set forth in the Federation's disciplinary procedures.

3.2 Categories of Membership. The categories of membership in the Federation are Individual, Junior, Family and Business. Individuals age 18 or older on January 1 of the year during which the first year of a membership term starts qualify for Individual membership. Individuals age 17 or younger on January 1 of the year during which the first year of a membership term starts qualify for Junior membership for that year only. A Family membership is available to a group consisting of at least one individual age 18 or older and all individuals age 17 or younger, all of whom reside at the same address January 1 of the year during which the first year of a membership term starts. A Business membership is available to any person who conducts equestrian-related activities in a business name. Each Business member must designate an individual to act for the Business with respect to Federation-related matters. A Life Member is available to an individual who pays the "Life Member" fee established by the Board. Life memberships are available to individual members only. The Board may designate one or more additional categories of membership from time to time.

3.3 Membership Dues. At least annually, the Board, on recommendation of the Federation's Treasurer, shall set the dues for each category of membership for the ensuing membership term. The Board from time to time shall establish the term(s) of membership in the Federation, e.g., one-year, three-year, five-year and life membership. Individual, Junior, Family and Business Memberships become effective upon processing of payment by the Federation Office and will remain in effect for the full term indicated on the membership application or renewal. The term of membership of a Life Member extends until the death of that member. Membership dues, once applied, are not refundable. It is an individual member's responsibility to notify the Federation of changes in membership category or mailing address. Any member delinquent in his/her payment of dues shall cease to be a member of the Federation

3.4 Membership Entitlements. Membership shall entitle the member to participate in all Federation shows, events and other activities. Members also shall be eligible to become directors of the Federation and to become members of the Federation's Advisory Committee, as described in Article VIII, below. The Board may expand entitlements of all or any category of membership from time to time.

ARTICLE IV BOARD OF DIRECTORS

4.1 General Powers. Subject to the provisions and limitations of the Florida Not For Profit Corporation Act, Florida Statutes Chapter 617 (the "Act"), and any other applicable laws, the activities and affairs of the Federation shall be managed, and all corporate powers shall be exercised, by or under the direction of the Board of Directors of the Federation ("the Board"). In the event of a vacancy on the Board, the remaining directors, even though less than a quorum, may exercise the powers of the Board until the vacancy is filled.

4.2 Specific Powers. Without prejudice to the general powers set forth in the Articles of Incorporation of the Federation, but subject to the limitations contained therein and in the Act, the Board shall have the power to do the following:

- (a) Appoint and remove, at the pleasure of the Board, all corporate officers, agents, and employees; prescribe powers and duties for them as are consistent with the law, the Articles of Incorporation and these By-Laws and fix their compensation.
- (b) Change the principal office or the principal executive offices in Florida from one location to another in or outside Florida; cause the Federation to be qualified to conduct its activities in any other state, territory, dependency, or country; conduct its activities in or outside Florida; and designate a place in or outside Florida for holding any meeting of the Board.
- (c) Borrow money and incur indebtedness on the Federation's behalf and cause to be executed and delivered for the Federation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

- (d) Adopt and use a corporate seal and alter the form of the seal.
- (e) Elect directors to a specific term and according to the guidelines set forth in Section 4.4 by a majority of the entire Board at a regular or special meeting of the Board, or according to Section 4.1 if the remaining directors constitute less than a quorum. Notice of any such meeting shall include notice of such election.

4.3 Initial Members of the Board. The initial members of the Board shall be those persons named as directors in the Articles of Incorporation of the Federation, each of whom shall remain a director until the election and qualification of her or his successor or her or his earlier death, resignation or removal.

4.4 Qualification of Directors.

- (a) General Qualifications of Directors. Board members shall be chosen with a view toward maintaining a balanced Board, all of whom shall possess the skills and experience that contribute to the vision, mission and purpose of the Federation.
- (b) Special Qualifications of Directors. The Board shall be broadly representative of the constituencies to be served by the Federation and be composed of individuals who reflect the diversity and the full range of interests and who have direct experience or understanding of the constituencies intended to benefit from the Federation's activities. Each Board member shall be a member of the Federation.
- (c) Representation on Board of Trainers and Judges. The Federation recognizes the value of a diverse Board and shall strive to maintain Board composition that includes an individual who holds himself or herself out as a trainer of Paso horses. In addition, the Federation shall strive to maintain Board composition that includes an individual who during the time of service on the Board is a judge certified by the Paso Fino Horse Association, Inc. ("PFHA"), Confederacion Internacional de Caballos de Paso ("Confepaso") or any other organization recognized by PFHA or Confepaso for registration reciprocity purposes. However, in recognition of the goal of the Federation to be under the direction of owners and breeders of Paso horses, at no time may a majority of the entire Board comprise either trainers or judges, or a combination of trainers or judges. If for any reason at any time the composition of the Board is such that a majority of the entire Board comprises either trainers or judges, or a combination of trainers or judges, the trainer or judge with the shortest tenure on the Board automatically shall be deemed to have resigned to achieve compliance with this requirement, and the trainer or judge with the next shortest tenure automatically shall be deemed to have resigned to achieve compliance with this requirement, with this process repeated until compliance is achieved. The Board shall adopt such additional procedures as may be required to implement the requirements of this paragraph.

4.5 Number, Nominations and Election. The entire Board shall consist of from three (3) to nine (9) directors, as the Board shall determine from time to time, and shall include the officers of the Federation. Whenever these By-Laws refer to the “entire Board,” it means the total number of directors then serving. Commencing with the first annual meeting of the Board after adoption of these Bylaws, directors shall be elected from among those individuals nominated by the Nominating Committee.

4.6 Terms of Directors. The Board members other than officers shall be divided into three classes of directors that shall be known as Class I, Class II and Class III directors, respectively, with each Class composed of three (3) persons. Initially following adoption of these bylaws, the directors in Class I shall serve for a term of one (1) year, those of Class II for a term of two (2) years and those of Class III for a term of three (3) years, commencing on the date of initial adoption of these By-Laws. Except as provided in the immediately preceding sentence, each person duly elected to the Board shall hold office for a term of three (3) years, and may serve up to three (3) consecutive terms for a total of nine (9) years. Directors in each Class shall be elected within a reasonable time following adoption of these bylaws. Each director shall hold office until her or his successor is elected and qualified, or until her or his earlier death, resignation or removal.

4.7 Vacancies. Any vacancy in the Board, however occurring, may be filled by vote of a majority of the directors then in office.

4.8 Resignation; Deemed Resignation. Any director may resign by delivering her or his written resignation to the President of the Federation or, in the case of the President of the Federation, to the Secretary of the Federation . Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event. The Board reserves the right to determine the effective date of any resignation it receives from a sitting member of the Board. Any director, who without adequate reason and approval of the President either (a) fails to attend two consecutive meetings of the Board or (b) fails to attend three meetings of the Board during any fiscal year of the Federation, shall be deemed to have delivered her or his resignation as a director as of the close of business of the meeting of the Board at which such second consecutive or third failure to attend shall have occurred.

4.9 Removal From Office. A director may be removed from office at any time with or without cause by a vote of not less than two-thirds of the directors then in office.

4.10 Annual Meetings. The Board shall determine the date, hour, place and manner of conducting the annual meeting of the directors of the Federation, provided that such meeting is scheduled to occur within six months after the end of the fiscal year of the Federation. The purposes for which an annual meeting is to be held, in addition to those prescribed by the Act, the Articles of Incorporation or these By-laws, may be specified by the President. If an annual meeting is not held in accordance with the foregoing provisions, a special meeting may be held in place thereof with all the force and effect of an annual meeting.

4.11 Regular and Special Meetings. Regular meetings of the Board shall be held at least quarterly at such places and at such times as the Board may from time to time determine, provided that any director who is not present at a meeting of the Board when such determination is made shall be given notice of the determination. Special meetings of the Board may be held upon the oral or written call by the President, the Treasurer or two or more directors, designating

the date, hour and place thereof. Regular and special meetings of the Board shall normally be held in Florida, but one or more of such meetings may be held at other locations when deemed expedient by the Board.

4.12 Notice of Meetings. Notice of the time and place of all meetings of the Board shall be given to each director by: (a) personal delivery of written notice; (b) first-class mail, postage prepaid; (c) telephone, including a voice messaging system or other system or technology designed to record and communicate messages; or (d) by electronic transmission, such as electronic mail or facsimile transmission, either directly to the director or to a person at the director's office who would reasonably be expected to communicate that notice promptly to the director. All such notices shall be given or sent to the director's address, e-mail address, or telephone or facsimile number as shown on the Federation's records. Notices sent by first-class mail shall be deposited in the United States mail at least ten (10) days, but not more than thirty (30) days, before the date set for the meeting. Notices sent by personal delivery, telephone or electronic transmission shall be sent at least four (4) days, but not more than fourteen (14) days, before the date set for the meeting. Each notice shall state the date and time of the meeting and the place, if the place is other than the Federation's principal office. Except as provided in Sections 4.10 and 4.13 and Article X, the notice need not specify the purpose of the meeting.

4.13 Waiver of Notice. Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings. Notice of a meeting need not be given to any director who attends the meeting and who, before or at the beginning of the meeting, does not protest the lack of notice to him or her.

4.14 Quorum; Telephonic Meetings. At any meeting of the Board, a majority of the directors then in office shall constitute a quorum. Directors constituting less than a quorum may adjourn any meeting from time to time, and the meeting may be held as adjourned without further notice. One or more directors may participate in a meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can communicate with each other at the same time. Participation in a meeting pursuant to the foregoing sentence shall constitute presence in person at such meeting. Meetings may be held exclusively by conference telephone among all participating directors.

4.15 Action at Meeting. At any meeting of the Board at which a quorum is present, a majority of the directors present may take any action on behalf of the Board except to the extent that the Act, the Articles of Incorporation or these By-laws require a larger number.

4.16 Action Without a Meeting. Any action required or permitted to be taken at a meeting of the directors or any committee thereof, or any action that may be taken at a meeting of the directors or a committee thereof, may be taken without a meeting if a consent in writing, setting forth the action so to be taken, signed by all the directors or all the members of the committee, as the case may be, is filed in the minutes of the proceedings of the Board or of the committee. Such consent shall have the same effect as a unanimous vote.

4.17 Committees. The Board shall appoint as standing committees of the Board the following: an Executive Committee, an Events Committee a Finance Committee, a Nominating

Committee and a Registration Committee and may, by majority vote, appoint one or more other committees. The Chair of each such committee shall be a director. The Board also may, by majority vote of the entire Board, delegate to the Executive Committee some or all of its powers except those that by the Act, the Articles of Incorporation or these By-laws it is prohibited from delegating. In no event shall the Board delegate to any committee established by it the following powers:

- (a) The power to change the principal office of the Federation.
- (b) The power to adopt, amend or repeal By-laws of the Federation.
- (c) The power to elect officers or the power to fill vacancies in any such offices.
- (d) The power to change the number of persons constituting the entire Board, or the power to fill vacancies on the Board.
- (e) The power to remove officers from office or directors from the Board.
- (f) The power to authorize a merger, sale of substantially all assets or dissolution of the Federation.

Except as provided in Article V concerning the composition of members of the Executive Committee and the Finance Committee, the Board shall appoint the members of all committees and shall name the Chair of each committee. The Board in its vote authorizing the establishment of a committee, or by subsequent Board action, shall appoint the persons to constitute the members thereof. All members of the Executive Committee shall be directors. At least two (2) directors shall be elected to each other committee, except as specifically provided otherwise in Article V. Except as the Board may otherwise determine, any such committee may make rules for the conduct of its business, but, unless otherwise provided by the Board or in such rules, its business (including the keeping of a record of its meetings) shall be conducted as nearly as may be practicable in the same manner as is provided by these By-laws for the Board, including the ability to participate in meetings telephonically and to act by written consent in lieu of a meeting as provided in this Article IV. Each such committee shall report its action to the Board, which shall have the power to rescind any action taken. However, in the case of the Executive Committee, no such rescission shall have retroactive effect.

4.18 Inspection Rights of Directors. Every director shall have the absolute right, upon reasonable notice and at any reasonable time, to inspect and copy all books, records, and documents, and to inspect the physical properties of the Federation.

ARTICLE V OFFICERS

5.1 Designation. The officers of the Federation shall consist of the President, a Treasurer and a Secretary. The officers of the Federation may include such other officers as the Board may determine, including one or more Vice Presidents, Assistant Treasurers and Assistant Secretaries.

5.2 Election. The President, Treasurer and Secretary shall be appointed annually by the Board at its Annual Meeting. Other officers may be chosen and their terms designated by the Board at such Meeting or at any other meeting.

5.3 Qualification. The officers shall be appointed from among the directors. Effective for any officer whose term of office will begin on or after January 1, 2013, in order to be qualified to serve as an officer, an individual must have served as a director for a minimum of two consecutive years at any time before the effective date of taking office as an officer. No individual may serve as an officer of the Federation if he or she is, determined at the time of taking office, or within the immediately preceding three years was, a judge certified by the Paso Fino Horse Association, Inc. ("PFHA"), Confederacion Internacional de Caballos de Paso ("Confepaso") or any other organization recognized by PFHA or Confepaso for registration reciprocity purposes. Any officer may be required by the Board to give bond for the faithful performance of his duties to the Federation in such amount and with such sureties as the Board may determine.

5.4 Tenure. Except as otherwise provided by the Act, by the Articles of Incorporation or these By-laws, all officers shall hold office until the next Annual Meeting of the Board and until their respective successors are appointed and qualified, unless a different term is specified during the vote appointing them. Any officer may resign by delivering her or his written resignation to the Federation at its principal office to the attention of the directors, and such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event. The Board reserves the right to determine the effective date of any resignation it receives from an officer of the Federation.

5.5 Removal. The Board may remove any officer with or without cause by a vote of not less than two-thirds of the directors then in office.

5.6 Vacancies. Any vacancy, however arising, in any office, may be filled for the unexpired portion of the term thereof by the Board.

5.7 President. The President shall be the Chief Executive officer of the Federation and, subject to the direction of the Board, shall have general supervision and control of the business and affairs of the Federation, shall perform such other duties, including those contemplated by these By-laws, and shall have such other powers as may be designated from time to time by the Board. The President also shall be responsible for the agenda of, and shall preside at all, meetings of the Board and shall perform such other duties and have such other powers as may be designated from time to time by the Board. At any time when there shall be no President of the Federation in office, the Board shall appoint another person to serve as the acting President of the Federation, until the position may be filled on a permanent basis.

5.8 Treasurer and Assistant Treasurers. The Treasurer shall, subject to the direction of the Board, have general charge of the financial affairs of the Federation, shall cause to be kept accurate books of account of the affairs of the Federation and of its accounting procedures. The Treasurer shall have custody of all funds, securities, and valuable documents of the Federation, except as the Board may otherwise provide, and shall have general charge of valuable papers of the Federation.

5.9 Secretary and Assistant Secretaries. The Secretary shall attend and shall cause to be kept a record of all the meetings of the Board. In addition, the Secretary shall perform such other duties and have such other powers as may be designated from time to time by the Board. Each Assistant Secretary shall perform such duties and have such powers as may be designated from time to time by the Board. In the absence of the Secretary from any meeting of the Board, an Assistant Secretary, if one is chosen, otherwise a Temporary Secretary designated by the person presiding at the meeting, shall perform the duties of the Secretary at such meeting. The Secretary shall keep or cause to be kept, at the principal office of the Federation in Florida, or if that office is not in Florida at the office of the Resident Agent, the records of the Federation.

5.10 Other Officers. Each other officer that may be appointed by the Board shall perform such duties and have such powers as may be designated from time to time by the Board.

5.11 Other Powers and Duties. Each officer shall, subject to these By-laws, and in addition to the duties and powers specifically set forth in these By-laws, have such duties and powers as are customarily incident to her or his office. The exercise of any power that by the Act, the Articles of Incorporation, or these By-laws, or under any vote of the Board, may be exercised by an officer of the Federation only in the event of absence of another officer or any other contingency, shall bind the Federation in favor of anyone relying thereon in good faith, whether or not such absence or contingency existed.

ARTICLE VI STANDING COMMITTEES

The standing committees of the Federation, their composition and duties shall be as described below.

6.1 Executive Committee.

- (a) Composition. The Executive Committee shall consist of the President, the Secretary, the Treasurer of the Federation and the immediate past-President of the Federation (for up to two years following cessation as President) and such other members of the Board as the Board may from time to time determine, but in no event shall there be less than three (3) members. The directors not elected to be members of the Executive Committee shall receive notice of all meetings of the Executive Committee and may attend its meetings and participate in its deliberations, but only Executive Committee members shall be entitled to a vote on matters as to which a vote of the Executive Committee may be required or permitted.
- (b) Duties. The Executive Committee shall meet on the call of the President of the Board or any two of its members and shall conduct the business of the Federation when it is not convenient for the full Board to meet or as the Board may from time to time authorize.

6.2 Events Committee.

- (a) Composition. The Events Committee shall consist of at least three individuals, one of whom shall be a director, with the Board to determine the exact number of members from time to time. The members of the Events Committee shall be appointed for a term of one (1) year.
- (b) Duties. The principal duties of the Events Committee are to develop, implement, monitor and amend as appropriate the procedures for conducting Federation-sanctioned shows, exhibits, demonstrations and any other event at which the Paso horse will be exhibited. These duties include, without limitation:
 - (1) Development of show rules, including those governing procedures in the show ring, standards for judging horses exhibited at a show, tack, equipment and attire that may be used in the show ring, treatment of horses exhibited, governance of show ring etiquette and behavior of exhibited horses and their riders/handlers, including disciplinary provisions, as appropriate, and all other aspects of conducting a Federation-sanctioned show or other event at which Paso horses will be exhibited; and
 - (2) Development of show judging systems. The show rules shall be uniform for all Federation-sanctioned shows but the judging system may vary among shows;
 - (3) Development of systems for the governance, selection and evaluation of judges to be used in Federation-sanctioned shows and, as appropriate, other events at which Paso horses will be exhibited; and
 - (4) Such additional duties as the Board may direct the Events Committee to carry out from time to time

6.3 Finance Committee.

- (a) Composition. The Finance Committee shall consist of the Treasurer and at least three (3) other members. The Treasurer shall be the Chair of this Committee. The members of the Finance Committee shall be appointed for a term of one (1) year.
- (b) Duties. The Finance Committee shall be responsible for the development of sound financial plans for adoption by the Board, as well as for generally supervising the financial affairs of the Federation. Specifically, the Finance Committee shall:
 - (1) Review projected financial requirements for the Federation;
 - (2) Evaluate and recommend the adoption of the annual budgets;

- (3) Maintain controls over expenditures through evaluation of periodic management and financial reports of the Federation;
- (4) Develop financial policies and plans for the Federation; and
- (5) Report on its activities at each Board meeting.

6.4 Nominating Committee.

- (a) Composition. The Nominating Committee shall consist of three (3) individuals, all of whom shall be directors and one (1) of whom shall be a Class I director, one (1) of whom shall be a Class II director and one (1) of whom shall be a Class III director. The Board shall appoint the Nominating Committee from among the directors and shall designate as the Chair of the Nominating Committee the member of the Committee whose term of office as director expires at the next Annual Meeting. The members of the Nominating Committee shall be appointed for a term of one (1) year. A director may be re-appointed to the Nominating Committee by the Board for one additional term. Any vacancy in a Board member's position on the Nominating Committee shall be filled by the appointment by the Board of a successor from among the then members of the Board.
- (b) Duties. The principal duty of the Nominating Committee shall be to submit to the Board, at least twenty (20) days in advance of each Annual Meeting, persons whom the Nominating Committee recommends to the Board as eligible for election as directors and appointment as members of the Nominating Committee, either at the Annual Meeting or to fill vacancies on the Board subsequent to the Annual Meeting for which the Nominating Committee's report is prepared and submitted. In performing its duties, the Nominating Committee members shall endeavor to recommend as nominees for possible election as directors, persons who are representative of the criteria for Board membership set forth in Section 4.4.

6.5 Registration Committee.

- (a) Composition. The Registration Committee shall consist of at least two individuals, one of whom shall be the then-serving President, and one of whom shall be the Registrar, with the Board to determine the exact number of members from time to time. The Board shall appoint the members of the Registration Committee for a term of one (1) year.
- (b) Duties. The principal duty of the Registration Committee is to develop, implement, monitor and update as appropriate the procedures for genetic registration of Paso Fino, Pura Trocha Colombiana, Pura Trocha y Galope and Trote y Galope Reunido Colombiano horses, and such other breeds of Paso horses as the Board may designate from time to time. The Registration Committee shall cause to be issued to certificates of

registration of all horses registered through the Federation. The Board may direct the Registration Committee to carry out additional duties from time to time.

ARTICLE VII

INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHERS

7.1 General. The Federation, to the extent legally permissible, shall indemnify each person who may serve or who has served at any time as a director, officer or Committee member of the Federation or of any of its subsidiaries, or who at the request of the Federation may serve or at any time has served as a trustee, director, officer or Committee member of, or in a similar capacity with, another organization or an employee benefit plan, against all expenses and liabilities (including counsel fees, judgments, fines, excise taxes, penalties and amounts payable in settlements) reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or other proceeding, whether civil, criminal, administrative or investigative, in which such person may become involved by reason of serving or having served in such capacity (other than a proceeding voluntarily initiated by such person unless he or she is successful on the merits, the proceeding was authorized by the Federation or the proceeding seeks a declaratory judgment regarding her or his own conduct); provided that no indemnification shall be provided for any such person with respect to any matter as to which he or she shall have been finally adjudicated in any proceeding not to have acted in good faith in the reasonable belief that her or his action was in the best interests of the Federation or, to the extent such matter relates to service with respect to any employee benefit plan, in the best interests of the participants or beneficiaries of such employee benefit plan; and provided, further, that as to any matter disposed of by a compromise payment by such person, pursuant to a consent decree or otherwise, the payment and indemnification thereof have been approved by the Federation, which approval shall not unreasonably be withheld, or by a court of competent jurisdiction. Such indemnification shall include payment by the Federation of expenses incurred in defending a civil or criminal action or proceeding in advance of the final disposition of such action or proceeding, upon receipt of an undertaking by the person indemnified to repay such payment if he or she shall be adjudicated to be not entitled to indemnification under this Article VII, which undertaking may be accepted without regard to the financial ability of such person to make repayment.

7.2 Service for Subsidiary. A person entitled to indemnification hereunder whose duties include service or responsibilities as a fiduciary with respect to a subsidiary or other organization shall be deemed to have acted in good faith in the reasonable belief that her or his action was in the best interests of the Federation if he or she acted in good faith in the reasonable belief that the action was in the best interests of such subsidiary or organization or of the participants or beneficiaries of, or other persons with, interests in, such subsidiary or organization to whom he or she had a fiduciary duty.

7.3 Authorization or Approval. Where indemnification hereunder requires authorization or approval by the Federation, such authorization or approval shall be conclusively deemed to have been obtained, and in any case where a director of the Federation votes to approve the payment of indemnification, such director shall be wholly protected, if:

- (a) the payment has been approved or ratified (1) by a majority vote of a quorum of the directors consisting of persons who are not at that time

parties to the proceeding, or (2) by a majority vote of a committee of one or more directors who are not at that time parties to the proceeding and are selected for this purpose by the full board (in which selection directors who are parties may participate); or

- (b) the action is taken in reliance upon the opinion of independent legal counsel (who may be counsel to the Federation) appointed for the purpose by vote of the Board or in the manner specified in this or the preceding paragraph; or
- (c) the payment is approved by a court of competent jurisdiction; or
- (d) the directors have otherwise acted in accordance with the applicable legal standard of conduct.

7.4 Procedure. Any indemnification or advance of expenses under this Section shall be paid promptly, and in any event within 30 days, after the receipt by the Federation of a written request therefor from the person to be indemnified, unless with respect to a claim for indemnification the Federation shall have determined that the person is not entitled to indemnification. If the Federation denies the request or if payment is not made within such 30-day period, the person seeking to be indemnified may at any time thereafter seek to enforce her or his rights hereunder in a court of competent jurisdiction and, if successful in whole or in part, he or she shall be entitled also to indemnification for the expenses of prosecuting such action. Unless otherwise provided by law, the burden of proving that the person is not entitled to indemnification shall be on the Federation.

7.5 Contractual Right. The right of indemnification under this Article shall be a contract right inuring to the benefit of the directors, officers and other persons entitled to be indemnified hereunder and no amendment or repeal of this Article shall adversely affect any right of such director, officer or other person existing at the time of such amendment or repeal. The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of a director, officer or other person entitled to indemnification hereunder. The indemnification provided hereunder may, to the extent authorized by the Federation, apply to the directors, officers and other persons associated with constituent corporations that have been merged into or consolidated with the Federation who would have been entitled to indemnification hereunder had they served in such capacity with or at the request of the Federation.

7.6 Not Exclusive Right. The right of indemnification under this Article shall be in addition to and not exclusive of all other rights to which such director, officer or other person may be entitled. Nothing contained in this Article shall affect any rights to indemnification to which Federation employees or agents, other than directors, officers and other persons entitled to indemnification hereunder, may be entitled by contract or otherwise by law.

ARTICLE VIII
ADVISORY COUNCIL AND MEETINGS OF ADVISORS

8.1 General. The Federation may appoint an Advisory Council to advise the Board from time to time when requested to do so on any matters on which the Board seeks such advice. The Board may, in its discretion, admit individuals who are members of, or representatives of Business members of, the Federation to the Advisory Council. Except as specifically provided in these By-Laws, members of the Advisory Council shall not have any vote or other consensual rights with respect to the governance of the affairs of the Federation.

8.2 Number, Qualification and Function. The number and qualification of the members of the Advisory Council shall be determined by the Board from time to time. Advisory Council membership shall be subject to approval of the Board in each instance, and the Board shall have the power to expel any person from such Council for any reason whatsoever. Persons so approved as members of the Advisory Council are hereinafter referred to as “Advisors” for so long as they remain members of the Advisory Council. The sole functions and powers of the Advisors are to (i) advise the Board on matters pertaining to the Federation’s goals and mission, and (ii) any other matters specifically assigned to the Advisory Council by the Board. A person who is admitted as an Advisor shall remain an Advisor for such term as shall be determined by the Board, or until his or her earlier resignation, death or expulsion. A person may be readmitted as an Advisor by a majority of the entire Board.

8.3 Meetings. Meetings of the Advisory Council shall be held at the times and places designated by the Board and shall be held at any place within or outside Florida designated by the Board. In the absence of any such designation, Advisory Council meetings shall be held at the Federation’s principal office.

8.4 Termination of Advisor Status. The term of an Advisor shall terminate on occurrence of any of the following events:

- (a) Resignation of the Advisor or expulsion by the Board;
- (b) Any event that renders the Advisor ineligible for membership on the Advisory Council, or failure to satisfy the qualifications therefor; or
- (c) Election of such Advisor to the Board.

ARTICLE IX
MISCELLANEOUS PROVISIONS

9.1 Fiscal Year. Except as from time to time otherwise determined by the Board, the fiscal year of the Federation shall end on the last day of December in each year.

9.2 Seal. If the Board determines to adopt a seal of the Federation, such seal shall, subject to alteration by the Board, bear its name, the words “International Paso Horse Federation, Inc.” and year of its incorporation.

9.3 Execution of Instruments. All deeds, leases, transfers, contracts, bonds, notes and other obligations authorized to be executed by an officer of the Federation in its behalf shall be

signed by the Chair of the Board, the President or the Treasurer except as the Board may generally or in particular cases otherwise determine.

9.4 Voting of Securities. Except as the Board may otherwise designate, the President or Treasurer may waive notice of and act on behalf of the Federation, or appoint any person or persons to act as proxy or attorney in fact for the Federation (with or without discretionary power and/or power of substitution) at any meeting of incorporators or shareholders or beneficial owners of any other corporation or organization, any of the securities of which may be held by the Federation.

9.5 Corporate Records. The original, or attested copies, of the Articles of Incorporation, these By-laws, and records of all meetings of the directors, which shall contain the names and the record address of all directors and officers, shall be kept in Florida at the principal office of the Federation or at an office of its Secretary, or Resident Agent. Said copies and records need not all be kept in the same office. They shall be available at all reasonable times for the inspection by any director or officer for any proper purpose, but not to secure a list or other information for the purpose of selling or distributing said list or information or copies thereof or of using the same for a purpose other than in the interest of the applicant, as a director or officer, relative to the affairs of the Federation. Except as may be otherwise required by the Act, by the Articles of Incorporation, or by these By-laws, the Federation shall be entitled to treat the record address of a director or officer as shown on its books as the address of such person for all purposes, including the giving of any notices; and it shall be the duty of each such person to notify the Federation of her or his latest post office address.

9.6 Conflict of Interest. The Board shall adopt a written conflict of interest policy, which it shall review and publish annually. All members of the Board of the Federation, all officers and all employees of the Federation are required to acknowledge written receipt of their annual copy. Failure to comply with the conflict of interest policy is grounds for immediate termination from the Federation.

9.7 Evidence of Authority. A certificate by the Secretary, or an Assistant Secretary as to any action taken by the directors or any officer or representative of the Federation shall, as to all who rely thereon in good faith, be conclusive evidence of such action.

9.8 Ratification. Any action taken on behalf of the Federation by a director or any officer or representative of the Federation that requires authorization by the Board shall be deemed to have been duly authorized if subsequently ratified by the Board, if action by it was necessary for authorization.

9.9 Articles of Incorporation. All references in these By-laws to the Articles of Incorporation shall be deemed to refer to the Articles of Incorporation of the Federation, as amended, and in effect from time to time.

9.10 Construction. Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the Act shall govern the construction of these By-Laws. Without limiting the generality of the preceding sentence, the masculine gender includes the feminine and neuter, the singular includes the plural, the plural includes the singular. References in these By-Laws to "Articles" and "Sections" are to Articles and Sections of these By-Laws unless the context indicates otherwise.

**ARTICLE X
AMENDMENTS**

The power to make, amend or repeal these By-laws, in whole or in part, shall be in the Board. Such power may be exercised by the Board by vote of a majority of the directors then in office. Notice as to all proposed amendments shall be given to directors at least ten (10) days prior to the Board acting upon any such proposed amendment, although notice may be waived or reduced if such action is taken by unanimous vote of the directors.