

MICHIGAN STATE PINTO BREEDERS & OWNERS CONSTITUTION

ARTICLE 1:

1.01 NAME

The Corporation shall be named Michigan State Pinto Breeders and Owners, inc. (the Corporation). And shall be known by the letters MSPB&O.

1.02 BRANCHES

The Michigan Pinto Youth Club is an official branch of the Corporation, governed by their own Constitution and bylaws. The Corporation's President will annually appoint a Youth Coordinator to be an advisor to the Youth Club and to report back to the Corporation on their activities.

The Michigan Pinto Youth Club Constitution and Bylaws and any and all amendment shall herein be placed on file with the Secretary of the Corporation as a permanent part of the record.

The Michigan Pinto Amateur Association is an official branch of the Corporation, governed by their own Constitution and Bylaws and any and all amendments, shall herein be placed on file with the Secretary of the Corporation as a permanent part of the record.

1.03 GENERAL PURPOSES

The Corporation is organized for the following general purpose:

- I. To guard the purity of the Pinto horse breed;
- II. To promote and encourage the breeding of registered Pinto Horse statewide, and to promote the general interest in registered Pinto horses;
- III. To further the purpose of the Pinto Horse Association of America, Inc., (PtHA) a national association, promoting standards and guidelines for Pinto horse breeding on a statewide level.
- IV. To promote good horsemanship and sportsmanship; and
- V. To promote public interest in the Pinto horse breed as a pleasure, parade, and work horse.

The Corporation is a nonprofit organization that will be financed under a general plan. Which may include, without limitations, contributions from the general public, fund raising activities, loans and grants from third parties, and income from investments, as the Board of Directors shall deem necessary and appropriate to further the purposes of the Corporation.

The Corporation is organized exclusively for the purpose of guarding the purity of the Pinto horse

breed, and other similar purposes. Including for such purposes, receiving and administering funds and making distributions to organizations that qualify as exempt organizations under Section 501(c)(3) or 501(c)(5) of the Internal Revenue Code, or the corresponding section of any future Federal tax code.

1.04 SPECIFIC PURPOSES

The Corporation is organized for the following specific purposes:

- I. To abide by the directives and rules established by the Executive Committee and the Board of the Pinto Horse Association of America, Inc.;
- II. To promote and encourage the breeding of registered Pintos on a state level and to promote the general interest in registered Pintos;
- III. To further the purpose of the Pinto Horse Association of America, Inc. on a state level in a manner proscribed by the National Association, thereby assisting the National Association to continue it's promotional work on a National and International basis;
- IV. To represent the Corporation on such matters as the State Fair, State Legislation and any other matter on a state level. The Board of Directions will be responsible for setting up the Corporation's Year End Awards; and
- V. To oppose any activity that is, would be or tends to be derogatory or inauspicious to registered Pintos or the Pinto Horse Association of America, Inc.

ARTICLE II: LOCATION

2.01 PRINCIPLE OFFICE

The principal office of the Corporation shall be located in the city of Millington, County of Tuscola, State of Michigan. Other corporate offices, either within or outside the state of Michigan, may be designated by the Board of Directors.

2.02 REGISTERED OFFICE

The registered office of the Corporation may also be, but need not be, the principal office named above. The registered office shall be maintained in the State of Michigan as required by the Michigan Nonprofit Corporation Act, and the address of such registered office may be changed from time to time by the Board of Directors.

ARTICLE III: MEMBERSHIP

3.01 CORPORATE STRUCTURAL BASIS

The Corporation is organized on a nonstick,

membership basis within the meaning of Section 2202 of the Michigan Nonprofit Corporation Act, as amended.

3.02 MEMBERSHIP QUALIFICATION

Membership is open to any person interested in furthering the purpose of the Corporation who has paid their annual dues.

3.03 MEMBERSHIP CLASSES

Memberships are by individual basis only Adult membership for those 19 years and older, with youth memberships being 18 years of age and under. Age is to be determined according to PTHA rules.

3.04 MEMBERSHIP YEAR

The membership year shall begin January 1 and end December 31.

3.05 MEMBERSHIP DUES

Annual membership dues shall be established by the Board of Directors. Membership dues shall be paid by December 31 of the preceding year. All membership dues paid after October 31, but before January 1 shall be held and considered valid memberships for the following year with all rights and privileges of membership.

3.06 VOTING RIGHTS

Voting rights shall be one (1) vote per membership (youth members are entitled to vote only on YA matters). Each membership is entitled to one (1) vote in the election of directors and on each matter submitted to the membership by the Board of Directors. No proxy votes are allowed.

3.07 STANDING

A member is considered in good standing if he or she meets the conditions of membership as set forth in this Article and all membership dues are paid and up-to-date.

3.08 DISCIPLINARY PROCEDURES

Any member whose actions tend to injure the good name of the Corporation, disturb its well being, or hamper the Corporation in its work may be censured, suspended, or expelled by the Board of Directors. The Board of Directors, by affirmative vote of two-thirds (2/3) of the entire Board, may censure, suspend, or expel a member. Any member who is censured, suspended, or expelled from the Pinto Horse Association of America shall receive the same action by the Corporation.

3.09 TRANSFERABILITY OF MEMBERSHIP

Membership shall not be transferable and shall be terminated by death, resignation, expulsion, or failure to pay dues.

3.10 ANNUAL MEETING

The annual membership meeting for election

of Directors shall be held in November of every year. If the annual membership meeting is not held at that time, the Board shall cause the meeting to be held as soon thereafter as is convenient. All current financial reports, committee reports, etc. shall be presented at the annual membership meeting.

3.11 SPECIAL MEETINGS

Special meetings of the members may be called by at least one third (1/3) of the Board of Directors by the President. Such meeting may also be called by the Secretary at the written request of not less than ten (10) percent of the members entitled to vote.

3.12 NOTICE OF MEETINGS

Written notice of the time, place, and purpose of the annual membership meeting shall be given not less than 30 days nor more than 60 days before the date of the meeting.

3.13 QUORUM

The members present at any meeting of the membership constitutes a quorum provided proper notice of the meeting was given.

3.14 MANNER OF ACTING

When an action is to be taken by vote of the members, other than the election of directors, it shall be authorized by a majority of the votes cast when a quorum is present. In an election of Directors, the vote of the members shall be authorized by a plurality of the ballots cast.

ARTICLE IV: BOARD OF DIRECTORS

4.01 GENERAL POWERS

The board of Directors shall manage the business, property and affairs of the Corporation.

4.02 DUTIES

The Board of Directors shall:

- I. Be the policy making body of the Corporation and act upon all-important matters that are brought before the Board.
- II. Be responsible for the business and activities to further the Corporation's purposes as stated in Article I of these Bylaws.
- III. Elect the Executive Committee after the annual membership meeting for the election of Directors; and,
- IV. Attend all regularly scheduled Board meetings.

4.03 QUALIFICATIONS

The Corporation's Board of Directors must be members in good standing with the Pinto

Horse Association of America, Inc. as well as the Corporation.

4.04 NUMBER

There shall be twelve (12) Directors on the Board, except as provided in Section 4.05 of these bylaws or as fixed from time to time by the Board of Directors.

4.05 ELECTION AND TENURE

Six (6) Directors shall be elected annually. Each Director shall be for a two (2) year term. A Director's term of office may be shortened by death, resignation, or removal. In the event of ties in reaching the required number of Directors, all ties shall be seated.

4.06 HONOREES AND ADVISORS

The State Directors shall serve as honoree and advisor Board members of the Corporation with no voting privileges. If, however, they were elected by the membership to serve as a Director of the Board, they shall have voting privileges until the end of their elected term.

4.07 NOMINATION OF DIRECTORS

Nomination of prospective Directors must follow the guidelines set out by the Nominating Committee.

4.08 BALLOTS

Ballots containing all properly nominated candidates for the Board of Directors shall be mailed to each membership in good standing by October 10 of each year. Ballots are to be mailed back to the Secretary by the November annual membership meeting. All returned ballots must be signed on the back of the envelope. Any ballots opened before counting, or not properly signed on the back of the envelope will be considered void. Ballots will be counted by three (3) incumbent members of the Board of Directors to be picked at random by a draw. In the event that there are only enough candidates to fill the vacancies on the Board of Directors, no election need be held.

4.09 RESIGNATION

Any Director may resign at any time by providing written notice to the Corporation. The resignation will be effective on receipt of the notice or at a later time designated in the notice. A successor shall be appointed as provided in Section 4.11 of the Bylaws. Directors may hold office without being a resident of the State of Michigan.

4.10 REMOVAL

Any Director may be removed with or without cause by a majority vote of the full membership entitled to vote. If a Director misses two (2) consecutive regularly scheduled meetings, without just cause, or misses five (5) regularly scheduled meetings in one

calendar year, that Director will be replaced by action of the Board of Directors.

4.11 BOARD VACANCIES

The Board shall fill any vacancy occurring on the Board. A Director elected to fill the vacancy shall be elected for a term of office continuing only until the next annual membership meeting for election of directors. Any increase in the number of Directors shall be elected at the annual membership meeting.

4.12 REGULAR MEETINGS

The Board of Directors shall hold regular meetings at a time and place determined by resolution of the Board. The Board of Directors may provide for other meetings by resolution and the meetings need not be held within the State of Michigan. There shall be no less than four (4) Regular Meetings of the Board of directors. These meetings shall be called by the President at a place centrally located. No proxy votes are allowed.

4.13 SPECIAL MEETINGS

The President or at least one third (1/3) of the Board of Directors may call special meetings of the Board whenever deemed necessary for the transaction of business. These meetings shall be held at a place convenient to all Directors, and shall not take the place of Regular Meetings. No proxy votes are allowed.

4.14 NOTICE OF MEETINGS

Members of the Board must receive notification at least one (1) week before each Board meeting.

4.15 STATEMENT OF PURPOSE

Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in the notice for that meeting.

4.16 WAIVER OF NOTICE

Directors may waiver notice of any Special Meeting. Any Director attending a Special Meeting shall be deemed to have waived notice of the meeting unless attendance is for the express purpose of objecting to the transaction of any business because the meeting is not properly called or convened.

4.17 MEETING BY TELEPHONE OR SIMILAR EQUIPMENT

A Director may participate in a meeting by conference telephone or any similar communications equipment through which all persons participating in the meeting can hear each other. Participation in a meeting under this section constitutes presence in person at the meeting.

4.18 QUORUM

A majority of the Directors then in office constitutes a quorum for the transaction of business at any meeting of the Board. Actions voted on by a

majority of Directors present at a meeting where a quorum is present shall constitute authorized actions of the Board. (See exceptions to this clause in Section 6.04 Removal and Article XII Amendments).

4.19 CONSENT TO CORPORATE ACTIONS

Any action required or permitted to be taken by authorization of the Board may be taken without a meeting if, before or after the action, all Directors consent to the action in writing. Written consents shall be filed with the minutes of the Board's proceeding.

4.20 PRESUMPTION OF ASSENT

A Director of the Corporation shall be deemed to have assented to an action taken by the Board of Directors unless he or she makes his or her dissent known during the meeting. At which action was taken and his or her dissent is recorded in the minutes of the meeting, or unless the dissenting Director, immediately after the meeting, shall send by registered mail to the Secretary of the Corporation, a written dissent against the action. no Director who affirmatively votes for any action may later dissent to that action.

ARTICLE V: COMMITTEES

5.01 GENERAL POWERS

The President, with the approval of the Board of Directors shall appoint committees other than Standing Committees. A committee designated by the Board may exercise any powers of the Board in managing the Corporation's business and affairs to the extent provided by resolution of the Board. However, no committee shall have the power to:

- I. Amend the Articles of Incorporation,
- II. Adopt an agreement of merger or consolidation,
- III. Amend the bylaws of the Corporation, fill vacancies on the Board, or fix compensation of the Directors for serving on the Board or on a committee.

5.02 MEETINGS

Committees shall meet as directed by the Board, and their meetings shall be governed by the rules provided in Article IV for meetings of the Board. Minutes shall be recorded at each committee meeting and shall be presented to the Board.

5.03 CONSENT TO COMMITTEE ACTIONS

Any action required or permitted to be taken by authorization of a committee may be taken without a meeting if, before or after the action, all members of the committee consent to the action in writing. Written consents shall be filed with the minutes of the committee's proceedings.

5.04 STANDING COMMITTEES

All standing committees shall have a Chairperson appointed by the President with the approval of the board of Directors, and charged with his or her responsibilities. Each Chairperson must be a member of the Board. The committee Chairperson shall appoint other standing committee members. Standing committees shall meet at the call of their Chairperson to conduct the necessary business. They shall prepare a recommend program and present the program to the Board of Directors for approval by a simple majority vote.

5.05 MICHIGAN LEGISLATIVE COMMITTEE

The Michigan Legislative Committee shall keep the board informed on all matters of legislative concerning horses in Michigan.

5.06 ROM APPROVED SHOW COMMITTEE

The ROM Approved Show committee shall check into show dates, etc. of all shows applying for ROM approval. If there are no conflicts, the committee's Chairperson will approve the date, sign the approval form, and send it to the national office. ROM approvals must be submitted to the ROM Committee as directed by the current show rules and as approved by the Board. Copies of show approvals will be turned over to the Secretary for placement in the minutes.

5.07 STATE POINT COMMITTEE

The State Point Committee shall keep an accurate account of all horses and owners showing for the Corporation points, youth showing for youth points, and amateurs showing for amateur points. Show results must be sent to the Point Chairperson within two (2) weeks after the show date for the points to count.

5.08 FINANCE COMMITTEE

The Finance committee shall consist of a Chairperson, who shall be the Vice President of the Board, the Treasurer, and one other member appointed by the President. this committee shall make an audit of all the Treasury books, including youth and amateur books as soon as possible after the close of the fiscal year. This annual audit report shall be read at the next regularly scheduled Board meeting. The Finance Committee shall set up an annual budget.

5.09 NOMINATING COMMITTEE

the Nominating Committee shall consist of three (3) members of the Board appointed by the President, with the approval of the Board. A Nominating Committee member may nominate any other member for a Director position. Any member may nominate any other member for a Director position. Nominations containing the nominees' names, addresses, and phone numbers shall be sent to the Nominating Committee Chairperson by first class mail. The nomination deadline is September 10. The committee shall interview the nominees as to their

desire to be elected and participate in all Board meetings and activities. The Committee shall supply the nominees' names and addresses to the Membership Chairperson for verification. After verification by the Membership Chairperson, the names will be sent to the Secretary for placement on the ballot. The Secretary will mail all ballots.

5.10 EXECUTIVE COMMITTEE

The Executive Committee of the Corporation shall consist of the President, Vice President, Treasurer, Secretary and Sergeant at Arms elected from the Board of Directors as duly elected as provided for in the bylaws. the immediate Past President shall serve a one-year term as a non-voting member of the Executive Committee.

5.11 MATERIALS OF THE CORPORATION

The Committee Chairpersons shall turn over all information and materials pertaining to the Corporation to their successor.

ARTICLE VI: OFFICERS

6.01 SYMBOL OF NATIONAL ASSOCIATION

An officer of the Corporation automatically represents the Pinto Horse Association of America, Inc. and so is therefore a "symbol" of the Pinto Horse Association of America, Inc.

6.02 NUMBER

The officers of the Corporation shall consist of a President, Vice President, Treasurer, Secretary and Sergeant at Arms. Officers must be members of the Board in good standing. Any two or more offices, except for those of the President and Secretary, may be held simultaneously by the same person. The board of Directors may elect officers, as they deem necessary.

6.03 ELECTION AND TERMS OF OFFICE

The President, Vice President, Treasurer, Secretary, and Sergeant at Arms, after proper nomination, shall be elected at the regular December board meeting each year. The term of office shall be for one (1) year. The same person may hold an office for no more than two (2) consecutive years, unless there is no willing nominee for that office in which case the President, with the Board consent, may appoint someone to serve. Election shall be held by closed written ballot, each member of the Board having the privilege of casting one vote for each office. The person receiving the majority of vote's cast shall be deemed elected. An officer's term shall commence on their election by the Board. An officer shall continue to serve until a successor is elected, or until death, resignation, or removal of the officer (as provided in Section 6.04 of these Bylaws).

6.04 REMOVAL

The Board of Directors may, at its discretion, remove any officer by a majority vote of the Directors when, according to the Board's best judgment, the removal serves the best interest of the Corporation. The removal of an officer shall be without prejudice to the contract rights of the officer, if any. The election or appointment of an officer does not of itself create contract rights.

6.05 VACANCIES

Should a vacancy occur within the Executive Committee, that vacancy may be filled by the Board of Directors at the next regularly scheduled Board meeting, providing proper notification of that vacancy has been made to all Board members before the next regularly scheduled Board meeting. the person so chosen shall serve only until the end of the unexpired term.

6.06 PRESIDENT

It shall be the duty of the President to preside at all meetings of the Board of Directors and general membership meetings. The President shall exercise general supervision and management over the affairs of the Corporation, subject to the approval of the Board of Directors, and shall serve as an ex-office member on all Standing committees. The President shall vote only to break a tie vote. The President may call such meetings as he or she may deem necessary for the transaction of business or cancel those meetings deemed not necessary.

6.07 VICE PRESIDENT

The Vice President shall perform all duties assigned to the Vice President by the President or by the Board of Directors. The Vice President shall assume the duties of the President in the event of the President's death, resignation, removal, disqualification, absence, or inability or refusal to act until the time as the Board of Directors can duly elect a new President. The Vice President shall be the Chairperson of the Finance Committee.

6.08 SECRETARY

The Secretary shall:

- I. Cause to be kept and maintained the minutes of all meetings of the Corporation, including the Standing Committees. These minutes shall be an accurate an official record of all business transacted;
- II. Cause to be kept and maintained accurately a roster showing names, addresses, and position held in the Corporation. A copy of this roster shall be furnished to the National Office immediately after the December meeting;
- III. Be custodian of all Corporate records, including financial reports of the Treasurer, and cause to be prepared all correspondence,

reports and routing business records of and for the Corporation;

- IV. Notify each member of the Board of Directors of Directors of all regular meetings, special meetings, and
- V. Show and social activities, except when otherwise provided;
- VI. Act as personal Secretary to the President and all Standing Committees;
- VII. Read to the membership at the meetings all current correspondence to and from the Corporation,
- VIII. And maintain an accurate file of said correspondence;
- IX. Perform all duties incident to the office of Secretary, or any other duties assigned to the Secretary from time to time by the Board of Directors or the President; and
- X. Mail voting ballots to all members in good standing.

6.09 TREASURER

The Treasurer shall:

- I. Receive all Corporate funds, and keep them in a bank or depository approved by the Board of Directors;
- II. Keep faithful records of all receipts and expenditures, and disperse the Corporation's funds only by check;
- III. Exhibit and file vouchers for all disbursements;
- IV. Read the current Treasury report at each meeting, and publish the Annual Financial Report in the newsletter after audit;
- V. Provide the Nomination Committee with a current valid membership list by September 10;
- VI. Be a member of the Finance Committee; and
- VII. Perform all duties incident to the office of Treasurer or any duties designated from time to time by the Board of Directors or the President. The Board of Directors may require the Treasurer to post a bond for the faithful discharge of the Treasurer's duties in an amount and with sureties as determined by the Board of Directors.

6.10 ASSISTANT SECRETARIES AND TREASURERS

The Board of Directors may appoint or elect Assistant Secretaries or Treasurers as deemed necessary and in the best interest of the Corporation. The assistants shall perform the duties assigned to them by the Board of Directors or the President, and may be required to fulfill any conditions in Sections 6.08 or 6.09 of these Bylaws that apply to the officer the assistants are appointed to assist.

6.11 SERGEANT AT ARMS

The Sergeant at Arms shall maintain order at all meetings of the Corporation, and shall be responsible for maintaining an inventory of all equipment of the Corporation and its' location.

6.12 PAST PRESIDENT

The immediate Past President shall serve for one year as an advisor to the Executive Committee.

6.13 EXECUTIVE COMMITTEE

Officers of the Corporation constitute the Executive Committee.

6.14 MATERIALS OF THE CORPORATION

All officers shall turn over all information and materials pertaining to the Corporation to their successor.

ARTICLE VII: CONTRACTS, LOANS, CHECKS AND DEPOSITS

7.01 CONTRACTS

The Board of Directors may authorize any officer or agent of the Corporation to enter into contracts on behalf of and in the name of the Corporation. The Board of Directors may also authorize any officer or agent of the Corporation to execute and deliver any instrument in the name of and on behalf of the Corporation.

7.02 LOANS

The Board of Directors may, by resolution, authorize that loans shall be contracted for or that evidence of indebtedness shall be authorized. Authorization may be general or limited to specific instances.

7.03 CHECKS AND DRAFTS

The Board of Directors shall determine, by resolution, which officer or officers, agent or agents of the Corporation shall have the authority and duty to sign all checks, drafts, or other orders for the payment of money issued in the name of the Corporation.

7.04 DEPOSITS

Any funds of the Corporation not being used in any other manner for the benefit of the Corporation shall be deposited to the credit and in the name of the

Corporation in a manner the Board of Directors shall select from time to time.

ARTICLE VIII: INDEMNIFICATION

8.01 NON-DERIVATIVE ACTIONS

Subject to all of the other provisions of the article, the Corporation may indemnify any person, as described in (a) or (b) below, who was or is a party, or is threatened to be made a party to, any threatened, pending or completed action, suit, or proceeding, whether formal or informal (other than an action by or in the right of the Corporation). The indemnification shall apply only to a person who was or is:

- (a) A Director or Officers of the Corporation, or
- (b) Serving at the request of the Corporation as a Director, Officer, partner, trustee, employee, or agent of another foreign or domestic Corporation, partnership, joint venture, trust, or other enterprise, whether for profit or not for profit.

The person may be indemnified and held harmless against expenses (including attorney fees), judgments, penalties, fines, and amounts paid in settlement. Actually and reasonably incurred by the person in connection with the action, suit or proceedings, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Corporation. With respect to any criminal action or proceeding, the person must have had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, or conviction or on a plea of no contender or it's equivalent, shall not by itself create a presumption that;

- (c) The person did not act in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation, or
- (d) With respect to any criminal action or proceeding, the person had reasonable cause to believe that his or her conduct was unlawful.

8.02 DERIVATIVE ACTIONS

Subjects to all of the provisions of this article, the Corporation may indemnify any person who was or is a party to, or is threatened to be made a party to any threatened, pending, or completed action, or suit by or in the right of the Corporation to procure a judgment in it's favor because the person was or is:

- (a) A Director or Officer of the Corporation, or

- (b) Serving at the request of the Corporation as a Director, Officer, partner, joint venture, trust, or other enterprise, whether or not for profit.

The person may be indemnified and held harmless against expenses (including actual and reasonable attorney fees) and amounts paid in settlement incurred by the person in connection with the action or suit. If the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation.

However, indemnification shall not be made for any claim, issue, or matter in which the person has been found liable to the Corporation, unless and only to the extent that the court in which the action, or suit that was brought has determined on application that, despite the adjudication of liability, but in view of all circumstances of the case, the person is fairly and reasonably entitled to indemnification for the expenses that the court considers proper.

8.03 EXPENSES OF SUCCESSFUL DEFENSE

To the extent that a person ahs been successful on the merits or otherwise in defense of any action, suit, or proceeding referred to in Section 8.01 or 8.02 of this article, or in defense of any claim, issue, or matter in the action, suit, or proceedings, the person may be indemnified against expenses (including actual fees and reasonable attorney fees) incurred in connection with the action and in any proceeding, brought to enforce the mandatory indemnification provided by this article.

8.04 CONTRACT RIGHTS

Limitation on indemnity. Any indemnification conferred in this article shall be a contract right and shall apply to services of a Director. or Officer, as an employee or agent of the Corporation, as well as in the person's capacity as a Director or Officer. Except, as provided in Section 8.03 of this article, the Corporation shall have no obligations under this article to indemnify any person in connection with any proceeding, or part thereof, initiated by the person without authorization by the Board of Directors.

8.05 DETERMINATION THAT INDEMNIFICATION IS PROPER

The Corporation (unless ordered by a court) shall make any indemnification under Sections 8.01 or 8.02 of this article. Only as authorized in the specific case. the Corporation must determine that indemnification of the person is proper in the circumstances because the person has met the applicable standard of conduct set forth in Sections 8.01 or 8.02 whichever is applicable. Determination shall be made in any of the following ways:

- (a) By a majority vote of a quorum of the Board of Directors consisting of Directors who were not parties to the action, suit, or proceeding,
- (b) If the quorum described in clause (a) above cannot be obtained, then by a committee of not less than two disinterested Directors who are not parties to the action, or
- (c) By independent legal counsel in written opinion.

8.06 PROPORTIONATE INDEMNITY

If a person is entitled to indemnification under Sections 8.01 or 8.02 of this article for a portion of expenses, including attorney fees, judgments, penalties, fines, and amounts paid in settlement. But not for total amount, the Corporation shall indemnify the person for the portion of the expenses, judgment, penalties, fines or amounts paid in settlement for which the person will be entitled to indemnify.

8.07 EXPENSE ADVANCE

Expenses incurred in defending a civil action suit, or proceedings, described in Sections 8.01 or 8.02 of this article. Which the Corporation in advance of the final disposition of the action, suit, or proceedings may pay. On receipt of an undertaking by or on behalf of the person involved to repay the expenses, if it is ultimately determined that the person is not entitled to be indemnified by the Corporation. The undertaking shall be and unlimited general obligation of the person, on whose behalf advances are made, but need not be secured.

8.08 NONEXCLUSIVELY OF RIGHTS

The indemnification or advancement of expenses provided under this article is not exclusive of other rights to which a person seeking indemnification or advancement of expenses may be entitled under a contractual arrangement with the Corporation. However, the total amount of expenses advanced or indemnified from all sources combined shall not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses.

8.09 INDEMNIFICATION OF EMPLOYEES AND AGENTS OF THE CORPORATION

The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification. And to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this article with respect to the indemnification and advancement of expenses of Directors and Officers of the Corporation.

8.10 FORMER DIRECTORS AND OFFICERS

The indemnification provided in this article

continues for a person who has ceased to be a Director or Officer and shall inure to the benefit of the heirs, executors, and administrators of that person.

8.11 INSURANCE

The Corporation may purchase and maintain insurance on behalf of any person who was or is:

- (a) A Director, Officer, employee or agent of the Corporation, or
- (b) Serving at the request of the Corporation as a Director, Officer, employee, or agent of another Corporation, partnership joint venture, trust, or other enterprise.

The insurance may protect against any liability asserted against the person, and incurred by him or her in any such capacity or arising out of his or her status. Such as, whether or not the Corporation would have power to indemnify against such liability under this article or the laws of the State of Michigan.

8.12 CHANGES IN MICHIGAN LAW

If there are any changes in the Michigan statutory provisions applicable to the Corporation and relating to the subject matter of this article, then the indemnification to which any person shall be entitled shall be determined by the changed provisions, but only to the extent that permitted the Corporation to provide before the change.

ARTICLE IX: COMPENSATION

9.01 COMPENSATION

When authorized by the Board of Directors, a person shall be reasonably compensated for services rendered to the Corporation as an Officer, employee, agent, or independent contractor, except as prohibited by these Bylaws.

ARTICLE X: ACCOUNTING YEAR

10.01 ACCOUNTING YEAR, GENERALLY

The Corporation's accounting year shall begin on the first day of January and end on the 31st day of December of each and every year.

ARTICLE XI: NOTICE

11.01 NOTICE

When notice is required, it shall be given in person or by first class mail.

11.02 WAIVER OF NOTICE

A waiver of notice in writing, signed by the person entitled to notice, either before or after the time stated herein shall be deemed the equivalent of the giving of notice when notice is required to be given to any Director under these Bylaws or Articles of Incorporation of this corporation or the Michigan Nonprofit Corporation Act.

ARTICLE XII: AMENDMENTS

12.01 AMENDMENTS TO THE BYLAWS

Any proposed amendment to these Bylaws may be presented at any regular meeting in writing, signed by three (3) members of the Board of Directors. Before acceptance, the proposed amendment shall be read at a second meeting and then may be voted on the Board of Directors provided that a quorum is present at that meeting (See exception under 12.02).

12.02 MEMBERSHIP VOTE

If the proposed amendment adopted by the Board of Directors would deny, limit, or otherwise prescribe the voting rights of the members entitled to vote, then the Board of Directors shall present the proposed amendment to the voting members. Approval by a deliberative body of voting members duly convened and meeting the requirements for quorum, notice, and voting of a regular or special meeting shall effect a valid amendment to these Bylaws.

ARTICLE XIII: PARLIAMENTARY AUTHORIZE

13.01 RULES

The rules contained in the current Robert's Rules of Order, Newly Revised shall govern the Board of Directors in all cases to which they are applicable. And in which they are not inconsistent with these Bylaws and any special rules of order the Board of Directors may adopt, as long as they are not inconsistent with the Rules and Regulations of the Pinto Horse Association of America, Inc.

ARTICLE XIV: ORDER OF BUSINESS

14.01 ORDER

The order of business of the Corporation shall be as follows:

1. Meeting Called to Order
2. Roll Call
3. Reading of Minutes of Previous Meeting
4. Treasurer's Report
5. Committee Report
6. Reading of Communications
7. Unfinished Business
8. Election of Executive Committee (December meeting)
9. New Business

10. Program

11. Adjournment

ARTICLE XV: PERSONAL GRIEVANCES

15.01 PERSONAL GRIVANCES

The Corporation shall have no interested in personal grievances on one member toward another and no discussion of this nature will be allowed at any meeting of the Corporation; likewise, no discussion of a political nature will be allowed.

ARTICLE XVI: CORPORATE SEAL

16.01 CORPORATE SEAL

The Corporate seal shall be circular in form, and shall contain the name of the Corporation, the state of incorporation, and the words "Corporate Seal" on its face. The Board of Directors shall determine and provide for the Corporate seal.