

RESTATED
BYLAWS
OF
PENNSYLVANIA HORSE SHOWS ASSOCIATION, INC.
(a Pennsylvania Nonprofit Corporation)

ARTICLE I

Offices and Fiscal Year

Section 1.01. Registered Office. The registered office of the corporation in the Commonwealth of Pennsylvania shall be at PO Box 553, Chester Springs, PA, 19425, until otherwise established by a vote of a majority of the board of directors in office, and a statement of such change is filed in the Department of State; or until changed by an appropriate amendment of the articles of the corporation.

Section 1.02. Other Offices. The corporation may also have offices at such other places within or without the United States of America as the board of directors may from time to time appoint or the business of the corporation requires.

Section 1.03. Fiscal Year. The fiscal year of the corporation shall begin on the first day of December in each year.

ARTICLE II

Membership

Section 2.01. Classes of Members. There shall be two classes of members whose privileges and voting and other rights shall be as follows:

(a) Executive Members. Each person serving from time to time as a director of the corporation shall, by virtue of such position, be an Executive Member of the corporation and entitled to one vote. Any such person shall cease to be a member upon notifying the secretary of the corporation in writing that such person does not wish to be an Executive Member of the corporation.

(b) Individual Members. Each Individual Member shall be a natural person whose application for membership as an Individual Member has been accepted by the corporation. Each Individual Member who is current in his dues and otherwise in good standing shall, subject to and in accordance with the rules, regulations, policies and procedures of the corporation in

effect from time to time, have the privilege of having points earned by him at horse shows recognized by the Pennsylvania Horse Shows Association counted toward the corporation's annual High Score Awards. Individual Members shall have one vote (except that Individual Members under age 18 shall have no vote).

ARTICLE III

Meetings of Members

Section 3.01. Place of Meeting. All meetings of the members of the corporation shall be held at the registered office of the corporation unless another place is designated by the board of directors in the notice of such meeting or unless the meeting is held via conference call.

Section 3.02. Annual Meeting. The board of directors may fix the date and time of the annual meeting of the members. At the annual meeting the members then entitled to vote shall elect directors and shall transact such other business as may properly be brought before the meeting.

Section 3.03. Regular Meetings. Regular meetings of the members shall be held at such time and place as shall be designated from time to time by resolution of the board of directors. At such meetings, the members shall transact such business as may properly be brought before the meeting.

Section 3.04. Special Meetings. Special meetings of the members of the corporation for any purpose or purposes may be called at any time by the President, by the board of directors, or by members entitled to cast at least fifteen votes.

At any time, upon written request of any person or persons who have duly called a special meeting, which written request shall state the object of the meeting, it shall be the duty of the secretary to fix the time of the meeting, which shall be held at such date and time as the secretary may fix, not less than five nor more than 60 days after the receipt of the request, and to give due notice thereof. If the secretary shall neglect or refuse to fix the date and time of such meeting and give notice thereof, the person or persons calling the meeting may do so.

Section 3.05. Notice of Meetings. Written notice of every meeting of the members, whether annual, regular or special, shall be given to each member of record entitled to vote at the meeting, at least five days (ten days in the case of any annual, regular or special meeting at which there is to be considered any matter arising under Chapter 59 of Title 15 of the Consolidated Pennsylvania Statutes) prior to the day named for the meeting. Every notice of a special meeting shall state briefly the purpose or purposes thereof, and no business, other than that specified in such notice and matters germane thereto, shall be transacted at any special meeting without further notice to members not present.

Section 3.06. Quorum, Manner of Acting and Adjournment. The presence of members entitled to cast fifteen votes shall constitute a quorum. The members present at a duly organized

meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum.

If a meeting cannot be organized because a quorum has not attended, those present may, except as otherwise provided in this section, adjourn the meeting to such time and place as they may determine. Any such adjourned meeting at which directors are to be elected shall be adjourned only from day to day, or for such longer periods not exceeding 15 days each, as the members present entitled to cast at least a majority of the votes which all members present and voting are entitled to cast shall direct, until such directors are elected.

Notwithstanding any contrary provision in these bylaws:

(1) In the case of any meeting called for the election of directors, those who attend the second of such adjourned meetings, although less than a quorum as fixed in this section, shall nevertheless constitute a quorum for the purpose of election of directors.

(2) In the case of any meeting called for any other purpose, those who attend the second of such adjourned meetings, although less than a quorum as fixed in this section, shall nevertheless constitute a quorum for the purpose of acting upon any resolution or other matter set forth in the notice of the meeting, if written notice of such second adjourned meeting, stating that those members who attend shall constitute a quorum for the purpose of acting upon such resolution or other matter, is given to each member of record entitled to vote at such second adjourned meeting at least ten days prior to the date named for the second adjourned meeting.

Except as otherwise specified in the articles or these bylaws or provided by statute, the acts, at a duly organized meeting, of members present entitled to cast at least a majority of the votes which all members present and voting are entitled to cast shall be the acts of the members.

Section 3.07. Organization. At every meeting of the members, the President, or in the case of a vacancy in office or absence of the President, one of the following officers present in the order stated: the vice presidents in their order of rank and seniority, or a chairman chosen by the members entitled to cast a majority of the votes which all members present and voting are entitled to cast, shall act as presiding officer, and the secretary, or, in the absence of the secretary, a person appointed by the presiding officer, shall act as secretary.

Section 3.08. Voting. Every member of the corporation (except Individual Members under age 18) shall be entitled to one vote, but no person may authorize another person or persons to act by proxy.

Section 3.09. Voting Lists. The corporation shall keep at either its registered office in the Commonwealth of Pennsylvania or its principal place of business wherever situated an original or a duplicate membership register, giving the names of the members, and showing their respective addresses. Upon request of a member, the books or records of membership shall be produced at any regular or special meeting of the corporation. If at any meeting the right of a person to vote is challenged, the presiding officer shall require such books or records to be

produced as evidence of the right of the person challenged to vote, and all persons who appear by such books or records to be members entitled to vote may vote.

Section 3.10. Judges of Election. The vote upon any matter, including the election of directors, need not be by ballot unless so requested by any member. In advance of any meeting of members the board of directors may appoint judges of election, who need not be members, to act at such meeting or any adjournment thereof.

ARTICLE IV

Board of Directors

Section 4.01. Powers: Personal Liability.

(a) The board of directors shall have full power to conduct, manage, and direct the business and affairs of the corporation; and all powers of the corporation, except those specifically reserved or granted to the members by statute or by the articles or these bylaws, are hereby granted to and vested in the board of directors. From time to time the board of directors may be referred to as the "Executive Committee" of the corporation, and all references by the corporation and its officers and employees to the "Executive Committee" of the corporation are references to the board of directors.

(b) A director of the corporation shall not be personally liable, as such, for monetary damages for any action taken, or any failure to take any action, unless the director has breached or failed to perform the duties of his or her office under Subchapter 57B of Title 15 of the Consolidated Pennsylvania Statutes and the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness. The provisions of this subsection shall not apply to the responsibility or liability of a director pursuant to any criminal statute or the liability of a director for the payment of taxes pursuant to local, state or Federal law.

Section 4.02. Qualification and Selection. Each director of the corporation shall be a natural person of 18 years of age or older, but need not be a resident of Pennsylvania but must be a member of the corporation. Except in the case of vacancies, directors shall be elected by the members. Upon the demand of any member at any meeting of members for the election of directors the presiding officer of the meeting shall call for and shall afford a reasonable opportunity for the making of nominations for the office of director. Any member may nominate as many persons for the office of director as there are positions to be filled. If nominations for the office of director have been called for as herein provided only candidates who have been nominated in accordance therewith shall be eligible for election. The candidates receiving the highest number of votes from the membership, up to the number of directors to be elected by the membership shall be elected.

Section 4.03. Number and Term of Office. The board of directors shall consist of no less than seven and no more than fifteen people, as may be determined from time to time by resolution of the board of directors of the corporation. Each director shall hold office for not less

than 1 year and not more than 3 years and until a successor shall have been elected and qualified, except in the event of death, resignation or removal.

Section 4.04. Organization. At every meeting of the board of directors, the President shall preside, and the secretary, or, in the absence of the secretary, any person appointed by the chairman of the meeting, shall act as secretary.

Section 4.05. Resignations. Any director of the corporation may resign at any time by giving written notice to the president or the secretary of the corporation. 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.

Section 4.06. Vacancies. The board of directors may declare vacant the office of a director if such director is declared of unsound mind by an order of court, or convicted of felony, or for any other proper cause, or if within 60 days after notice of his selection, the director does not accept such office either in writing or by attending a meeting of the board of directors.

Any vacancy or vacancies in the board of directors because of death, resignation, removal in any manner other than under the provisions of Section 4.07, disqualification, an increase in the number of directors, or any other cause, may be filled by a majority of the remaining members of the board of directors though less than a quorum, at any regular or special meeting; and each person so elected shall be a director to serve for the balance of the unexpired term.

Section 4.07. Removal. At any special meeting called for the purpose of removing or electing directors the entire board of directors, or any individual director, may be removed from office without assigning any cause by the vote of members entitled to cast at least a majority of the votes which all members present would be entitled to cast at any annual or other regular election of the directors. In case the board or any one or more directors are so removed, new directors may be elected at the same meeting.

Section 4.08. Place of Meeting. Meetings of the board of directors may be held at such place within or without Pennsylvania as the board of directors may from time to time appoint, or as may be designated in the notice of the meeting.

Section 4.09. Organizational Meeting. Immediately after each annual election of directors or other meeting at which the entire board of directors is selected, the newly selected board of directors shall meet for the purpose of organization, election of officers, and the transaction of other business, at the place where said selection of directors was held. Such organizational meeting may be held at any other time or place which shall be specified in a notice given as provided in Section 4.11 of this Article for special meetings of the board of directors.

Section 4.10. Regular Meetings. Regular meetings of the board of directors shall be held at such time and place as shall be designated from time to time by resolution of the board of directors. At such meetings, the directors shall transact such business as may properly be brought

before the meeting. Notice of regular meetings need not be given unless otherwise required by law or these bylaws.

Section 4.11. Special Meetings. Special meetings of the board of directors shall be held whenever called by the president or by two or more of the directors. Notice of each such meeting shall be given to each director by telephone or in writing at least 24 hours (in the case of notice by telephone) or 48 hours (in the case of notice by telegram) or five days (in the case of notice by mail) before the time at which the meeting is to be held. Every such notice shall state the time and place of the meeting and the purpose or purposes of such meeting.

Section 4.12. Quorum. Manner of Acting. and Adjournment. A majority of the directors in office shall be present at each meeting in order to constitute a quorum for the transaction of business. Every director shall be entitled to one vote. Except as otherwise specified in the articles or these bylaws or provided by statute, the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the board of directors. In the absence of quorum, a majority of the directors present and voting may adjourn the meeting from time to time until a quorum is present. The directors shall act only as a board and the individual directors shall have no power as such, except that any action which may be taken at a meeting of the directors may be taken without a meeting, if a consent or consents in writing setting forth the action so taken shall be signed by all of the directors in office and shall be filed with the secretary of the corporation. All directors should endeavor to attend all meetings; however, attendance at 50% of the board of directors regular meetings during any 12 month period is a requirement for remaining a director.

Section 4.13. Interested Directors or Officers; Quorum. No contract or transaction between the corporation and one or more of its members, directors or officers, or between the corporation and any other corporation, partnership, association, or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for such reason, or solely because the member, director or officer is present at or participates in the meeting of the board of directors which authorizes the contract or transaction, or solely because his, her or their votes are counted for such purpose, if:

(1) The material facts as to such relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors and the board in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors are less than a quorum, or

(2) The material facts as to such relationship or interest and as to the contract or transaction are disclosed or are known to the members entitled to vote thereon, if any, and the contract or transaction is specifically approved in good faith by vote of such members, or

(3) The contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the board of directors or the members.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors which authorizes a contract or transaction specified in this section.

Section 4.14. Fees. No director shall be paid a fee for attendance at a meeting of the board of directors or committee of directors which such director shall attend absent express written approval by a majority of the members.

ARTICLE V

Notice - Waivers - Meetings

Section 5.01. Notice, What Constitutes. Whenever written notice is required to be given to any person under the provisions of the articles, these bylaws, or the Nonprofit Corporation Law of 1988, it may be given to such person, either personally or by sending a copy thereof by first class mail, postage prepaid, or by overnight delivery by an established carrier, to the address of the person appearing on the books of the corporation, or in the case of directors, supplied by the director to the corporation for the purpose of notice. If the notice is sent by mail, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail. A notice of meeting shall specify the place, day and hour of the meeting and any other information required by law or these bylaws.

When a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

Section 5.02. Waivers of Notice. Whenever any written notice is required to be given under the provisions of the articles, these bylaws, or the Nonprofit Corporation Law of 1988, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except as otherwise required by this section and by Section 8.06, neither the business to be transacted at nor the purpose of a meeting need be specified in the waiver of notice of such meeting. In the case of a special meeting of members such waiver of notice shall specify the general nature of the business to be transacted.

Attendance of a person at any meeting shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 5.03. Modification of Proposal Contained in Notice. Whenever the language of a proposed resolution is included in a written notice of a meeting, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.

Section 5.04. Conference Telephone Meetings. One or more persons may participate in a meeting of the board, of a committee of the board by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this section shall constitute presence in person at such meeting.

ARTICLE VI

Officers

Section 6.01. Number, Qualifications and Designation. The officers of the corporation shall be a president, a vice president, a secretary, a treasurer, and such other officers as may be elected in accordance with the provisions of Section 6.03. Any number of offices may be held by the same person. Officers must be directors of the corporation.

Section 6.02. Election and Term of Office. The officers of the corporation, except those elected by delegated authority pursuant to Section 6.03, shall be elected annually by the board of directors, and each such officer shall hold office until the next annual organization meeting of directors and until a successor shall have been elected and qualified, or until death, resignation, or removal.

Section 6.03. Subordinate Officers, Committees and Agents. The board of directors may from time to time elect such other officers and appoint such committees, employees or other agents as the business of the corporation may require, including additional vice presidents and one or more assistant secretaries, and one or more assistant treasurers, each of whom shall hold office for such period, have such authority, and perform such duties as are provided in these bylaws, or as the board of directors may from time to time determine, consistent with these bylaws. The board of directors may delegate to any officer or committee the power to elect subordinate officers and to retain or appoint employees or other agents, or committees thereof, and to prescribe the authority and duties of such subordinate officers, committees, employees or other agents.

Section 6.04. Resignations. Any officer or agent may resign at any time by giving written notice to the board of directors, or to the president or the secretary of the corporation. Any 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.

Section 6.05. Removal. Any officer, committee, employee or other agent of the corporation may be removed, either for or without cause, by the board of directors or other authority which elected, retained or appointed such officer, committee or other agent whenever in the judgment of such authority the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights of any person so removed.

Section 6.06. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause; shall be filled by the board of directors or by the officer or committee to which the power to fill such office has been delegated pursuant to Section 6.03 of this Article, as the case may be, and if the office is one for which these bylaws prescribe a term, shall be filled for the unexpired portion of the term.

Section 6.07. General Powers. All officers of the corporation, as between themselves and the corporation, shall respectively have such authority and perform such duties in the management of the property and affairs of the corporation as may be determined by resolutions or orders of the board of directors, or, in the absence of controlling provisions in resolutions or orders of the board of directors, as may be provided in these bylaws.

Section 6.08. The President. The President shall preside at all meetings of the members of the board of directors and shall be the president of the corporation. The president shall be the chief executive officer of the corporation and shall have general supervision over the activities and operations of the corporation (including without limitation the development, adoption, revision, administration and enforcement of rules, regulations, policies, and procedures relating to Individual Members), subject, however, to the control of the board of directors. The president shall sign, execute, and acknowledge, in the name of the corporation, deeds, mortgages, bonds, contracts or other instruments, authorized by the board of directors, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors, or by these bylaws, to some other officer or agent of the corporation; and, in general, shall perform all duties incident to the office of president, and such other duties as from time to time may be assigned by the board of directors.

Section 6.09. The Vice President. The vice president shall perform the duties of the president in the absence of the president and such other duties as may from time to time be assigned to him by the board of directors or by the president.

Section 6.10. The Secretary. The secretary or an assistant secretary shall attend all meetings of the members and of the board of directors and shall record all the votes of the members and of the directors and the minutes of the meetings of the members and of the board of directors and of committees of the board in a book or books to be kept for that purpose; shall see that notices are given and records and reports properly kept and filed by the corporation as required by law; shall be the custodian of the seal of the corporation and see that it is affixed to all documents to be executed on behalf of the corporation under its seal; and, in general, shall perform all duties incident to the office of secretary, and such other duties as may from time to time be assigned by the board of directors or the chairman and president.

Section 6.11. The Treasurer. The treasurer or an assistant treasurer shall have or provide for the custody of the funds or other property of the corporation; shall collect and receive or provide for the collection and receipt of moneys earned by or in any manner due to or received by the corporation; shall deposit all funds in his or her custody as treasurer in such banks or other places of deposit as the board of directors may from time to time designate; shall, whenever so required by the board of directors, render an account showing all transactions as treasurer, and

the financial condition of the corporation; and, in general, shall discharge such other duties as may from time to time be assigned by the board of directors or the chairman and president.

ARTICLE VII

Indemnification of Directors, Officers and Other Authorized Representatives

Section 7.01. Scope of Indemnification.

(a) The corporation shall indemnify an indemnified representative against any liability incurred in connection with any proceeding in which the indemnified representative may be involved as a party or otherwise, by reason of the fact that such person is or was serving in an indemnified capacity, including, without limitation, liabilities resulting from any actual or alleged breach or neglect of duty, error, misstatement or misleading statement, negligence, gross negligence or act giving rise to strict or products liability, except:

(1) where such indemnification is expressly prohibited by applicable law;

(2) where the conduct of the indemnified representative has been finally determined pursuant to Section 7.06 or otherwise:

(i) to constitute willful misconduct or recklessness within the meaning of 15 Pa. C.S. § 5713 or any superseding provision of law sufficient in the circumstances to bar indemnification against liabilities arising from the conduct; or

(ii) to be based upon or attributable to the receipt by the indemnified representative from the corporation of a personal benefit to which the indemnified representative is not legally entitled; or

(3) to the extent such indemnification has been finally determined in a final adjudication pursuant to Section 7.06 to be otherwise unlawful.

(b) If an indemnified representative is entitled to indemnification in respect of a portion, but not all, of any liabilities to which such person may be subject, the corporation shall indemnify such indemnified representative to the maximum extent for such portion of the liabilities.

(c) The termination of a proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the indemnified representative is not entitled to indemnification.

(d) For purposes of this Article:

(1) "indemnified capacity" means any and all past, present and future service by an indemnified representative in one or more capacities as a director, officer, employee or agent of the corporation, or, at the request of the corporation, as a director, officer, employee, agent, fiduciary or trustee of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise;

(2) "indemnified representative" means any and all directors and officers of the corporation and any other person designated as an indemnified representative by the board of directors of the corporation, (which may, but need not, include any person serving at the request of the corporation, as a director, officer, employee, agent, fiduciary or trustee of another corporation, partnership, joint venture, trust, employee benefit plan or other entity or enterprise);

(3) "liability" means any damage, judgment, amount paid in settlement, fine, penalty, punitive damages, excise tax assessed with respect to an employee benefit plan, or cost or expense of any nature (including, without limitation, attorneys' fees and disbursements); and

(4) "proceeding" means any threatened, pending or completed action, suit, appeal or other proceeding of any nature, whether civil, criminal, administrative or investigative, whether formal or informal, and whether brought by or in the right of the corporation, a class of its security holders, if any, or otherwise.

Section 7.02. Proceedings Initiated by Indemnified Representatives. Notwithstanding any other provision of this Article, the corporation shall not indemnify under this Article an indemnified representative for any liability incurred in a proceeding initiated (which shall not be deemed to include counter-claims or affirmative defenses) or participated in as an intervenor or amicus curiae by the person seeking indemnification unless such initiation of or participation in the proceeding is authorized, either before or after its commencement, by the affirmative vote of a majority of the directors in office. This section does not apply to reimbursement of expenses incurred in successfully prosecuting or defending an arbitration under Section 7.06 or otherwise successfully prosecuting or defending the rights of an indemnified representative granted by or pursuant to this Article.

Section 7.03. Advancing Expenses. The corporation shall pay the expenses (including attorneys' fees and disbursements) incurred in good faith by an indemnified representative in advance of the final disposition of a proceeding described in Section 7.01 or 7.02 upon receipt of an undertaking by or on behalf of the indemnified representative to repay such amount if it shall ultimately be determined pursuant to Section 7.06 that such person is not entitled to be indemnified by the corporation pursuant to this Article. The financial ability of an indemnified representative to repay an advance shall not be a prerequisite to the making of such advance.

Section 7.04. Securing of Indemnification Obligations. To further effect, satisfy or secure the indemnification obligations provided herein or otherwise, the corporation may maintain insurance, obtain a letter of credit, act as self-insurer, create a reserve, trust, escrow, cash collateral or other fund or account, enter into indemnification agreements, pledge or grant a security interest in any assets or properties of the corporation, or use any other mechanism or arrangement whatsoever in such amounts, at such costs, and upon such other terms and

conditions as the board of directors shall deem appropriate. Absent fraud, the determination of the board of directors with respect to such amounts, costs, terms and conditions shall be conclusive and shall not be subject to voidability.

Section 7.05. Payment of Indemnification. An indemnified representative shall be entitled to indemnification within 30 days after a written request for indemnification has been delivered to the secretary of the corporation.

Section 7.06. Arbitration. Any dispute related to the right to indemnification, contribution or advancement of expenses as provided under this Article shall be decided only by arbitration in the metropolitan area in which the principal executive offices of the corporation are located, in accordance with the commercial arbitration rules then in effect of the American Arbitration Association, before a panel of three arbitrators, one of whom shall be selected by the corporation, the second of whom shall be selected by the indemnified representative and the third of whom shall be selected by the other two arbitrators. In the absence of the American Arbitration Association, or if for any reason arbitration under the arbitration rules of the American Arbitration Association cannot be initiated, and one of the parties fails or refuses to select an arbitrator, or the arbitrators selected by the corporation and the indemnified representative cannot agree on the selection of the third arbitrator within 30 days after such time as the corporation and the indemnified representative have each been notified of the selection of the other's arbitrator, the necessary arbitrator or arbitrators shall be selected by the presiding judge of the court of general jurisdiction in such metropolitan area. The party or parties challenging the right of an indemnified representative to the benefits of this Article shall have the burden of proof. The corporation shall reimburse an indemnified representative for the expenses (including attorneys' fees and disbursements) incurred in successfully prosecuting or defending such arbitration. Any award entered by the arbitrators shall be final, binding and nonappealable and judgment may be entered thereon by any party in accordance with applicable law in any court of competent jurisdiction, except that the corporation shall be entitled to interpose as a defense in any such judicial enforcement proceeding any prior final judicial determination adverse to the indemnified representative under Section 7.01(a)(2) in a proceeding not directly involving indemnification under this Article. This arbitration provision shall be specifically enforceable.

Section 7.07. Contribution. If the indemnification provided for in this Article or otherwise is unavailable for any reason in respect of any liability or portion thereof, the corporation shall contribute to the liabilities to which the indemnified representative may be subject in such proportion as is appropriate to reflect the intent of this Article or otherwise.

Section 7.08. Discharge of Duty. An indemnified representative shall be deemed to have discharged such person's duty to the corporation if he or she has relied in good faith on information, advice or an opinion, report or statement prepared by:

(1) one or more officers or employees of the corporation whom the indemnified representative reasonably believes to be reliable and competent with respect to the matter presented;

(2) legal counsel, public accountants or other persons as to matters that the indemnified representative reasonably believes are within the person's professional or expert competence; or

(3) a committee of the board of directors on which he or she does not serve as to matters within its area of designated authority, which committee he or she reasonably believes to merit confidence.

Section 7.09. Mandatory Indemnification of Directors, Officers, etc. To the extent that a director, officer, employee or agent of the corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in 15 Pa. C.S. § 5741 or § 5742 or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses actually and reasonably incurred by such person in connection therewith.

Section 7.10. Contract Rights; Amendment or Repeal. All rights under this Article shall be deemed a contract between the corporation and the indemnified representative pursuant to which the corporation and each indemnified representative intend to be legally bound. Any repeal, amendment or modification hereof shall be prospective only and shall not affect any rights or obligations then existing.

Section 7.11. Scope of Article. The rights granted by this Article, shall not be deemed exclusive of any other rights to which those seeking indemnification, contribution or advancement of expenses may be entitled under any statute, agreement, vote of members or disinterested directors or otherwise, both as to action in an official capacity and as to action in any other capacity. The indemnification, contribution and advancement of expenses provided by or granted pursuant to this Article shall continue as to a person who has ceased to be an indemnified representative in respect of matters arising prior to such time, and shall inure to the benefit of the heirs, executors, administrators and personal representatives of such a person.

Section 7.12. Reliance on Provisions. Each person who shall act as an indemnified representative of the corporation shall be deemed to be doing so in reliance upon the rights provided by this Article.

Section 7.13. Interpretation. The provisions of this Article are intended to constitute Bylaws subject to the provisions of 15 Pa. C.S. § 5713 and § 5746(a).

ARTICLE VIII

Miscellaneous

Section 8.01. Corporate Seal. The corporation shall have a corporate seal in the form of a circle containing the name of the corporation, the year of incorporation and such other details as may be approved by the board of directors.

Section 8.02. Checks. All checks, notes, bills of exchange or other orders in writing shall be signed by such person or persons as the board of directors may from time to time designate.

Section 8.03. Contracts. Except as otherwise provided in these bylaws, the board of directors may authorize any officer or officers, agent or agents, to enter into any contract or to execute or deliver any instrument on behalf of the corporation, and such authority may be general or confined to specific instances.

Section 8.04. Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may approve or designate, and all such funds shall be withdrawn only upon checks signed by such one or more officers or employees as the board of directors shall from time to time determine.

Section 8.05. Annual Report of Directors. The board of directors shall present annually to the members a report, verified by the president and treasurer or by a majority of the directors, showing in appropriate detail the following:

(1) The assets and liabilities, including the trust funds, of the corporation as of the end of the fiscal year immediately preceding the date of the report.

(2) The principal changes in assets and liabilities including trust funds, during the year immediately preceding the date of the report.

(3) The revenue or receipts of the corporation, both unrestricted and restricted to particular purposes, for the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the corporation.

(4) The expenses or disbursements of the corporation, for both general and restricted purposes, during the year immediately preceding the date of the report, including separate data with respect to each trust fund held by or for the corporation.

The annual report of the board of directors shall be filed with the minutes of the meetings of members.

Section 8.06. Amendment of Bylaws. These bylaws may be amended or repealed, or new bylaws may be adopted, either:

(1) by the vote of the members entitled to cast at least a majority of the votes which all members present are entitled to cast thereon at any duly organized annual, regular or special meeting of members, or

(2) with respect to those matters which are not by statute reserved exclusively to the members, by vote of a majority of the board of directors of the corporation in office at any regular or special meeting of directors.

Such proposed amendment, repeal or new bylaws, or a summary thereof, shall be set forth in any notice of such meeting, whether annual, regular or special.

Section 8.07. Dissemination of Funds Upon Dissolution. Should the PHSA members vote to dissolve the organization, the board treasurer shall pay all outstanding bills due from PHSA to others. The board shall then conduct an orderly liquidation of all funds in any and all PHSA bank accounts by transferring the total funds to one or more non-profit equine related organizations. The fund recipients and the amount of funds to be transferred shall be decided by majority vote of the board members present.