

**Bylaws
of
Cherokee County Saddle Club, Inc.**

**Article 1
Offices**

Section 1. Principal Office

The principal office of the corporation is located in Cherokee County, State of North Carolina.

Section 2. Change of Address

The designation of the county or state of the corporation's principal office may be changed by amendment of these bylaws. The board of directors may change the principal office from one location to another within the named county by noting the changed address and effective date below, and such changes of address shall not be deemed, nor require, an amendment of these bylaws:

New Address: 1836 Moccasin Creek Rd
Murphy, NC 28906

Dated: January 1, 2016

New Address: _____

Dated: _____, 20__

New Address: _____

Dated: _____, 20__

Section 3. Other Offices

The corporation may also have offices at such other places, within or without its state of incorporation, where it is qualified to do business, as its business and activities may require, and as the board of directors may, from time to time, designate.

**Article 2
Nonprofit Purposes**

Section 1. IRC Section 501(c)(3) Purposes

This corporation is organized exclusively for one or more of the purposes as specified in Section 501(c)(3) of the Internal Revenue Code, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code.

Section 2. Specific Objectives and Purposes

The specific objectives and purposes of this corporation shall be:

- (a) to promote instruction in riding and handling horses through clinics and demonstrations;
- (b) to educate members through written and oral communications on safe and effective handling of horses;
- (c) to organize and sponsor horse shows and competitions open to the public ;
- (d) to foster safe, enjoyable activities for riders such as trail rides; and
- (e) to promote the development of facilities that can be used for the activities described in (a) through (d) above.

Article 3 Directors

Section 1. Number

The corporation shall have at least five (5) but no more than fifteen (15) directors and collectively they shall be known as the board of directors. There shall be an uneven number of members of the board of directors. Each individual must be a member of the Cherokee County Saddle Club, Inc. (hereinafter referred to as the **Club**) in good standing. The directors shall serve without pay for terms of two (2) years, except as noted below, and shall include the Officers, as provided in Article 6 and one or more at-large board members. The initial directors of the corporation shall serve without pay until August 6, 2014. The president, treasurer, and two board members elected to take office on August 6, 2014 shall serve without pay until January 1, 2016. The vice-president, secretary, and one board member elected to take office on August 6, 2014 shall serve without pay until January 1, 2015. A Director may hold only one position on the Board. The number of Directors may be changed by at least a two-thirds (2/3) vote by the **Club** members present at any regular business meeting.

Section 2. Qualifications

Directors shall be at least 18 years old.

Section 3. Powers

Subject to the provisions of the laws of this state and any limitations in the articles of incorporation and these bylaws relating to action required or permitted to be taken or approved by the members, if any, of this corporation, the activities and affairs of this corporation shall be conducted and all corporate powers shall be exercised by or under the direction of the board of directors.

Section 4. Duties

The Board of Directors acts as a governing trustee of the club while carrying out the club's mission and goals. It shall be the duty of the directors to:

- a. Perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation, or by these bylaws, including paying all required taxes and filing all reports required by federal, state, and local governments;
- b. Appoint and remove, employ and discharge, and, except as otherwise provided in these bylaws, prescribe the duties and fix the compensation, if any, of all agents and employees of the corporation, including committee chairmen;
- c. Supervise all agents and employees of the corporation to assure that their duties are performed properly;
- d. Meet at such times and places as required by these bylaws;
- e. Maintain a **Club** bank account;
- f. Develop **Club** policies;
- g. Approve and schedule all events;
- h. Work with other organizations to further the **Club's** objectives

Section 5. Term of Office

Each director shall hold office for a period of two years and until his or her successor is elected and qualifies, except as noted below. The initial directors of the corporation shall serve until August 6, 2014. The president, treasurer, and two board members elected to take office on August 6, 2014 shall serve until January 1, 2016. The vice-president, secretary, and one board member elected to take office on August 6, 2014 shall serve until January 1, 2015.

Section 6. Compensation

Directors shall serve without compensation. They shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties. Any payments to directors shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Article 9 of these bylaws.

Section 7. Place of Meetings

Meetings shall be held at any place as may be designated from time to time by resolution of the board of directors.

Section 8. Regular Meetings

Regular meetings of directors shall be held at least quarterly and may be held more often by resolution of the board of directors. If a board member has three (3) consecutive unexcused absences, he/she will be removed from membership on the Board of Directors.

Section 9. Special Meetings

Special meetings of the board of directors may be called by the chairperson of the board, the president, the vice president, the secretary, or by any two directors. Such meetings shall be held at the principal office of the corporation or, if different, at the place designated by the person or persons calling the special meeting.

Section 10. Notice of Meetings

Unless otherwise provided by the articles of incorporation, these bylaws, or provisions of law, the following provisions shall govern the giving of notice for meetings of the board of directors:

- a. Regular Meetings.** Directors shall be notified of the date, time, and place of all regular meetings either in writing, by telephone, or by electronic means at least 10 days in advance.
- b. Special Meetings.** At least one week prior notice shall be given by the secretary of the corporation to each director of each special meeting of the board. Such notice may be oral or written, may be given personally, by first class mail, by telephone or by electronic means, and shall state the place, date, and time of the meeting and the matters proposed to be acted upon at the meeting.
- c. Waiver of Notice.** Whenever any notice of a meeting is required to be given to any director of this corporation under provisions of the articles of incorporation, these bylaws, or the law of this state, a waiver of notice in writing signed by the director, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

Section 11. Quorum for Meetings

A quorum shall consist of 71%, or 5/7 of the members of the board of directors.

Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, no business shall be considered by the board at any meeting at which the required quorum is not present, and the only motion which the chair shall entertain at such meeting is a motion to adjourn.

Section 12. Majority Action as Board Action

Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the board of directors.

Section 13. Conduct of Meetings

Meetings of the board of directors shall be presided over by the president of the corporation, or in his or her absence, by the vice president of the corporation, or in the absence of each of these persons, by a chairperson chosen by a majority of the directors present at the meeting. The secretary of the corporation shall act as secretary of all meetings of the board, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting. The directors may also approve acts or decisions a by a majority of 71% of the directors by electronic means when time is of the essence. These acts or decisions shall be documented in the minutes of the next meeting of the board of directors.

Section 14. Vacancies

Vacancies on the board of directors shall exist (1) on the death, resignation, or removal of any director, and (2) whenever the number of authorized directors is increased.

Any director may resign effective upon giving written notice to the president, the secretary, or the board of directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the office of the attorney general or other appropriate agency of this state.

Directors may be removed from office, with or without cause, as permitted by and in accordance with the laws of this state.

A person elected to fill a vacancy on the board shall hold office until the next election of that position on the board of directors or until his or her death, resignation, or removal from office.

Section 15. Nonliability of Directors

The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

Section 16. Indemnification by Corporation of Directors and Officers

The directors and officers of the corporation shall be indemnified by the corporation to the fullest extent permissible under the laws of this state.

Section 17. Insurance for Corporate Agents

Except as may be otherwise provided under provisions of law, the board of directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee, or other agent of the

corporation) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agent's status as such, whether or not the corporation would have the power to indemnify the agent against such liability under the articles of incorporation, these bylaws, or provisions of law.

Article 4 Officers

Section 1. Designation of Officers

The officers of the corporation shall be a president, a vice president, a secretary, and a treasurer.

Section 2. Qualifications

Officers shall be at least 18 years of age.

Section 3. Election and Term of Office

Officers shall be elected at the November general membership meeting each year, with a two year term of office that begins on January 1 following their election, except as noted below. The initial officers of the corporation shall serve until August 6, 2014. Officers shall be elected in July of 2014. The president and treasurer elected in July of 2014 shall take office on August 6, 2014 and shall serve until January 1, 2016. The vice-president and secretary elected to take office on August 6, 2014 shall serve until January 1, 2015. Going forward, the president and treasurer shall be elected at the same election every two years, and the vice-president and secretary shall be elected at the same election every two years, resulting in staggered terms of office.

For any election of officers, except for the purpose of filling vacancies that occur during a term of office, a slate of nominees must first be provided by a nominating committee and sent to the membership at least 30 days before the election. For each office, at least one but no more than two nominees must be presented by the nominating committee. At the time of election, nominations from the floor will also be in order. Each officer shall hold office until he or she resigns or is removed or is otherwise disqualified to serve, or until his or her successor shall be elected and qualified, whichever occurs first. The president may serve no more than two (2) consecutive terms.

Section 4. Removal and Resignation

Any officer may be removed, either with or without cause, by the board of directors, at any time. Any officer may resign at any time by giving written notice to the board of directors or to the president or secretary of the corporation. Any such resignation shall take effect at the date of receipt of such notice or at any later date specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. The above provisions of this section shall be superseded by any conflicting terms of a contract which has been approved or ratified by the board of directors relating to the employment of any officer of the corporation.

Section 5. Vacancies

Any vacancy caused by the death, resignation, removal, disqualification, or otherwise, of any officer shall be filled by a simple majority vote of the membership present and voting at the next regularly scheduled **Club** meeting. In the event of a vacancy in any office other than that of president, such vacancy may be filled temporarily by appointment by the president until such time as the general membership shall fill the vacancy. Vacancies occurring in offices of officers appointed at the discretion of the board may or may not be filled as the board shall determine.

Section 6. Duties of President

The president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, supervise and control the affairs of the corporation and the activities of the officers. He or she shall perform all duties incident to his or her office and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be prescribed from time to time by the board of directors. The president shall preside at all meetings of the board of directors and at all meetings of the members. Except as otherwise expressly provided by law, by the articles of incorporation, or by these bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the board of directors. The president shall countersign all checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation over \$500.00 with the treasurer. Any checks which must be issued while the treasurer is unavailable shall be signed by both the president and vice president. He or she shall turn over to a successor, within one week after the close of his/her term of office, all files, records, and properties of the club in his/her possession. The president shall have a vote only in case of a tie.

Section 7. Duties of Vice President

In the absence of the president, or in the event of his or her inability or refusal to act, the vice president shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions on, the president. The vice president shall have other powers and perform such other duties as may be prescribed by law, by the articles of incorporation, or by these bylaws, or as may be prescribed by the board of directors. The vice president shall countersign all checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation over \$500.00 if the president is not available to sign. Any checks which must be issued while the treasurer is unavailable shall be signed by both the president and vice president.

Section 8. Duties of Secretary

The secretary shall:

Certify and keep at the principal office of the corporation the original, or a copy, of these bylaws as amended or otherwise altered to date.

Keep at the principal office of the corporation or at such other place as the board may determine, a book of minutes of all meetings of the directors, and, if applicable, meetings of committees of directors and of members, recording therein the time and place of

holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting, and the proceedings thereof.

Ensure that the minutes of meetings of the corporation, any written consents approving action taken without a meeting, and any supporting documents pertaining to meetings, minutes, and consents shall be recorded in the corporate records of this corporation and forwarded to the president within 15 days of the meeting or action.

See that all notices are duly given in accordance with the provisions of these bylaws or as required by law.

Be custodian of the records of the corporation. Keep at the principal office of the corporation a membership book containing the name and address of each and any members, and, in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased. Maintenance of membership information may be delegated from the secretary to a membership chairman by the board of directors.

Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefor, the bylaws, the membership book, and the minutes of the proceedings of the directors of the corporation.

In general, perform all duties incident to the office of secretary and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

Turn over to a successor complete and accurate minutes, records and all properties of this organization in his/her possession within two weeks after the close of his/her term of office.

Section 9. Duties of Treasurer

The treasurer shall:

Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the board of directors.

Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.

Disburse, or cause to be disbursed, the funds of the corporation as may be directed by the board of directors, taking proper vouchers for such disbursements. All checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation over \$500.00 must be countersigned by the president or vice-president.

Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.

Exhibit at all reasonable times the books of account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefor.

Render to the president and directors, whenever requested, an account of any or all of his or her transactions as treasurer and of the financial condition of the corporation. Specifically, prepare a treasurer's report, with a copy to the president, a copy to the secretary, and the original to remain in the treasurer's file, and report such at each regular meeting of the **Club**. This report should include the status of all income and expenditures and the current balance.

Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.

Prepare all tax returns required and submit to the appropriate government agencies.

Advise the president and the secretary of any delinquent dues or debts owed to the Club.

In general, perform all duties incident to the office of treasurer and such other duties as may be required by law, by the articles of incorporation of the corporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

Article 5 Committees

Section 1. Committees

The corporation shall have such other committees as may from time to time be designated by resolution of the board of directors. These committees may consist of persons who are not also members of the board and shall act in an advisory capacity to the board.

Section 2. Meetings and Action of Committees

Meetings and action of committees shall be governed by, noticed, held, and taken in accordance with the provisions of these bylaws concerning meetings of the board of directors, with such changes in the context of such bylaw provisions as are necessary to substitute the committee and its members for the board of directors and its members, except that the time for regular and special meetings of committees may be fixed by resolution of the board of directors or by the committee. The board of directors may also adopt rules and regulations pertaining to the conduct of meetings of committees to the extent that such rules and regulations are not inconsistent with the provisions of these bylaws.

Article 6 Execution of Instruments, Deposits, Funds, and Purchasing

Section 1. Execution of Instruments

The board of directors, except as otherwise provided in these bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

Section 2. Checks and Notes

Except as otherwise specifically determined by resolution of the board of directors, or as specified in Article 4, sections 6, 7, and 9, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the treasurer.

Section 3. 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 select.

Section 4. Gifts

The board of directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the nonprofit purposes of this corporation.

Section 5. Purchasing Rules

A member who has been approved by the board of directors to organize an activity which has been given a budget by the board of directors may spend up to \$50 of that budget without board approval. If there is no approved budget for the activity, approval of the board of directors is required before purchases are authorized. Members who purchase items or services for the club without prior approval may not be reimbursed unless the board of directors votes to do so. Members who purchase items or services and donate them to the club or who make cash donations shall get a letter of acknowledgement from the treasurer if the board of directors accepts the donation.

Article 7 Corporate Records and Reports

Section 1. Maintenance of Corporate Records

The corporation shall keep at its principal office:

- a. Minutes of all meetings of directors, committees of the board, and of all meetings of members, indicating the time and place of holding such meetings, whether

- regular or special, how called, the notice given, and the names of those present and the proceedings thereof;
- b. Adequate and correct books and records of account, including accounts of its properties and business transactions and accounts of its assets, liabilities, receipts, disbursements, gains, and losses;
 - c. A record of its members, if any, indicating their names and addresses and, if applicable, the class of membership held by each member and the termination date of any membership;
 - d. A copy of the corporation's articles of incorporation and bylaws as amended to date, which shall be open to inspection by the members, if any, of the corporation at all reasonable times during office hours.

Section 3. Directors' Inspection Rights

Every director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation, and shall have such other rights to inspect the books, records, and properties of this corporation as may be required under the articles of incorporation, other provisions of these bylaws, and provisions of law.

Section 4. Members' Inspection Rights

Each and every member shall have the following inspection rights, for a purpose reasonably related to such person's interest as a member:

- a. To inspect and copy the record of all members' names, addresses, and voting rights, at reasonable times, upon written demand on the secretary of the corporation, which demand shall state the purpose for which the inspection rights are requested.
- b. To obtain from the secretary of the corporation, upon written demand on, and payment of a reasonable charge to, the secretary of the corporation, a list of the names, addresses, and voting rights of those members entitled to vote for the election of directors as of the most recent record date for which the list has been compiled or as of the date specified by the member subsequent to the date of demand. The demand shall state the purpose for which the list is requested. The membership list shall be made available within a reasonable time after the demand is received by the secretary of the corporation or after the date specified therein as of which the list is to be compiled.
- c. To inspect at any reasonable time the books, records, or minutes of proceedings of the members or of the board or committees of the board, upon written demand on the secretary of the corporation by the member, for a purpose reasonably related to such person's interests as a member.

Members shall have such other rights to inspect the books, records, and properties of this corporation as may be required under the articles of incorporation, other provisions of these bylaws, and provisions of law.

Section 5. Right to Copy and Make Extracts

Any inspection under the provisions of this article may be made in person or by agent or attorney and the right to inspection shall include the right to copy and make extracts.

Section 6. Periodic Report

The board shall cause any annual or periodic report required under law to be prepared and delivered to an office of this state or to the members of this corporation, to be so prepared and delivered within the time limits set by law.

Article 8 IRC 501(c)(3) Tax Exemption Provisions

Section 1. Limitations on Activities

No substantial part of the activities of this corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Internal Revenue Code), and this corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of, or in opposition to, any candidate for public office.

Notwithstanding any other provisions of these bylaws, this corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

Section 2. Prohibition Against Private Inurement

No part of the net earnings of this corporation shall inure to the benefit of, or be distributable to, its members, directors or trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of this corporation.

Section 3. Distribution of Assets

Upon the dissolution of this corporation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation, shall be distributed for one or

more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code or shall be distributed to the federal government, or to a state or local government, for a public purpose. Such distribution shall be made in accordance with all applicable provisions of the laws of this state.

Article 9 Conflict of Interest Policies

Section 1. Purpose of Conflict of Interest Policy

The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or any "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible "excess benefit transaction" as defined in Section 4958(c)(1)(A) of the Internal Revenue Code and as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. Definitions

- a. Interested Person.** Any director, principal officer, member of a committee with governing board delegated powers, or any other person who is a "disqualified person" as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - 1. An ownership or investment interest in any entity with which the corporation has a transaction or arrangement;
 - 2. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement; or
 - 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3, paragraph B, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Section 3. Conflict of Interest Avoidance Procedures

- a. **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
- b. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- c. **Procedures for Addressing the Conflict of Interest.** An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

- d. **Violations of the Conflicts of Interest Policy.** If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Board and Board Committee Proceedings

The minutes of meetings of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the

nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Section 5. Compensation Approval Policies

A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.

No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

When approving compensation for directors, officers and employees, contractors, and any other compensation contract or arrangement, in addition to complying with the conflict of interest requirements and policies contained in the preceding and following sections of this article as well as the preceding paragraphs of this section of this article, the board or a duly constituted compensation committee of the board shall also comply with the following additional requirements and procedures:

- a. the terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation;
- b. all members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangement as specified in IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement between this organization and a "disqualified person" (as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations):
 - 1. is not the person who is the subject of the compensation arrangement, or a family member of such person;
 - 2. is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;
 - 3. does not receive compensation or other payments subject to approval by the person who is the subject of the compensation arrangement;
 - 4. has no material financial interest affected by the compensation arrangement; and

5. does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or will approve a transaction providing benefits to the board or committee member.
- c. the board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:
 1. compensation levels paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions. "Similarly situated" organizations are those of a similar size, purpose, and with similar resources;
 2. the availability of similar services in the geographic area of this organization;
 3. current compensation surveys compiled by independent firms;
 4. actual written offers from similar institutions competing for the services of the person who is the subject of the compensation arrangement;

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for its three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar communities for similar services.

- d. the terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:
 1. the terms of the compensation arrangement and the date it was approved;
 2. the members of the board or compensation committee who were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member;
 3. the comparability data obtained and relied upon and how the data was obtained;
 4. If the board or compensation committee determines that reasonable compensation for a specific position in this organization or for providing services under any other compensation arrangement with this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination;
 5. If the board or committee makes adjustments to comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting;

6. any actions taken with respect to determining if a board or committee member had a conflict of interest with respect to the compensation arrangement, and if so, actions taken to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement);
7. The minutes of board or committee meetings at which compensation arrangements are approved must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action on the arrangement by the board or committee.

Section 6. Annual Statements

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. has received a copy of the conflicts of interest policy;
- b. has read and understands the policy;
- c. has agreed to comply with the policy; and
- d. understands the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section 7. Periodic Reviews

To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

Section 8. Use of Outside Experts

When conducting the periodic reviews as provided for in Section 7, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Article 10 Amendment of Bylaws

Section 1. Amendment

Subject to the power of the members, if any, of this corporation to adopt, amend, or repeal the bylaws of this corporation and except as may otherwise be specified under provisions of law, these bylaws, or any of them, may be altered, amended, or repealed and new bylaws adopted by approval of the board of directors.

Bylaws amended August 27, 2015:

To add the following to Article III, Section 12 Majority Action as Board Action: “The directors may also approve acts or decisions a by a majority of 71% of the directors by electronic means when time is of the essence. These acts or decisions shall be documented in the minutes of the next meeting of the board of directors.”

To amend the title of Article VI by adding “and Purchasing” to the original title so it now reads “**Execution of Instruments, Deposits, Funds, and Purchasing**”.

To amend Article VI by adding a new Section 5 entitled “Purchasing Rules”. The new section reads “A member who has been approved by the board of directors to organize an activity which has been given a budget by the board of directors may spend up to \$50 of that budget without board approval. If there is no approved budget for the activity, approval of the board of directors is required before purchases are authorized. Members who purchase items or services for the club without prior approval may not be reimbursed unless the board of directors votes to do so. Members who purchase items or services and donate them to the club or who make cash donations shall get a letter of acknowledgement from the treasurer if the board of directors accepts the donation.”

Bylaws amended January 21, 2016:

To amend Article 12, Section 1 by changing the wording from “Individual membership is open to all persons over the age of 18.” to “Individual membership is open to all persons over the age of 4”.

To amend Article 13, Section 7 by changing the wording from “Each individual membership is entitled to one vote and each family membership is entitled to two votes on each matter submitted to a vote by the members.” to “Each individual membership for members 18 or older is entitled to one vote and each family membership is entitled to two votes on each matter submitted to a vote by the members.”

Article 11 Construction and Terms

If there is any conflict between the provisions of these bylaws and the articles of incorporation of this corporation, the provisions of the articles of incorporation shall govern.

Should any of the provisions or portions of these bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these bylaws shall be unaffected by such holding.

All references in these bylaws to the articles of incorporation shall be to the articles of incorporation of this corporation filed with an office of this state and used to establish the legal existence of this corporation.

All references in these bylaws to a section or sections of the Internal Revenue Code shall be to such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

Membership Provisions of the Bylaws of Cherokee County Saddle Club, Inc.

Article 12 Members

Section 1. Determination and Rights of Members: Types of Memberships

There shall be three types of memberships: Individual, Family, and Sponsor. **Individual Membership** is open to all persons over the age of 4. **Family Membership** is open to families of persons residing at the same address. **Sponsor Membership** is granted to up to three employees or owners of a business which has donated at least \$100 in cash, goods, or services to the **Club**. The sponsor must complete a signed application form which designates from one to three Sponsor Members. Sponsor Members are not eligible for individual or family memberships. No member shall hold more than one type of membership in the corporation. Except as expressly provided in or authorized by the articles of incorporation, the bylaws of this corporation, or provisions of law, all memberships shall have the same rights, privileges, restrictions, and conditions.

Section 2. Membership Year

The **Club** membership year shall run concurrent with the calendar year.

Section 3. Qualifications of Members

The qualifications for membership in this corporation are as follows:

Any person is qualified to become a member of this corporation.

Section 4. Admission of Members

Applicants shall be admitted to membership upon completion and receipt of a membership form and payment of the first annual dues as specified in the following sections of this bylaw.

Section 5. Dues

- (a) The annual dues payable to the corporation for individual and family membership shall be recommended by the Board of Directors and passed by a 2/3 vote of the membership present at a General Meeting with advance notice either posted in the newsletter and on the website or communicated directly to each member by mail or by electronic means.

- (b) Annual dues for renewal of membership are due in January with a cut-off date of April first. New members may pay their dues during the calendar year. Members who join in November or December will not have to renew for 14 months. During 2014, dues shall be due in April with a cut-off date of July first.

Section 6. Number of Members

There is no limit on the number of members the corporation may admit.

Section 7. Membership Book

The corporation shall keep a membership book containing the name and address of each member. Termination of the membership of any member shall be recorded in the book, together with the date of termination of such membership. Such book shall be kept at the corporation's principal office.

Section 8. Nonliability of Members

A member of this corporation is not, as such, personally liable for the debts, liabilities, or obligations of the corporation.

Section 9. Nontransferability of Memberships

No member may transfer a membership or any right arising therefrom. All rights of membership cease upon the member's death.

Section 10. Termination of Membership

The membership of a member shall terminate upon the occurrence of any of the following events:

1. Upon his or her notice of such termination delivered to the president or secretary of the corporation personally or by mail, such membership to terminate upon the date of delivery of the notice or date of deposit in the mail.
2. If this corporation has provided for the payment of dues by members, upon a failure to renew his or her membership by paying dues on or before their due date, such termination to be effective thirty (30) days after a written notification of delinquency is given personally, by electronic means, or mailed to such member by the secretary of the corporation. A member may avoid such termination by paying the amount of delinquent dues within a thirty (30) day period following the member's receipt of the written notification of delinquency.
3. After providing the member with reasonable written notice and an opportunity to be heard either orally or in writing, upon a determination by the board of directors that the member has engaged in conduct materially and seriously prejudicial to the

interests or purposes of the corporation. Membership may be terminated without refund of dues. Any proceeding challenging an expulsion, suspension, or termination shall be commenced within one year after the member receives notice of the termination.

All rights of a member in the corporation shall cease on termination of membership as herein provided.

Article 13 Meetings of Members

Section 1. Place of Meetings

Meetings of members shall be held at the principal office of the corporation or at such other place or places as may be designated from time to time by resolution of the board of directors.

Section 2. Regular Meetings

A regular meeting of members shall be held annually in November for the purpose of electing directors and transacting other business as may come before the meeting. A regular meeting of members for the purpose of electing directors and transacting other business shall also be held in July of 2014. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected. Each individual voting membership shall cast one vote, and each family voting membership shall cast two votes, with voting being by ballot only. The annual meeting of members for the purpose of electing directors shall be deemed a regular meeting.

Other regular meetings of the members shall be held at least quarterly and may be held monthly.

Section 3. Special Meetings of Members

Special meetings of the members shall be called by the board of directors, the chairperson of the board, or the president of the corporation, or, if different, by the persons specifically authorized under the laws of this state to call special meetings of the members.

Section 4. Notice of Meetings

Unless otherwise provided by the articles of incorporation, these bylaws, or provisions of law, notice stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days before the date of the meeting, either

personally, by mail, or by electronic means, by or at the direction of the president, or the secretary, or the persons calling the meeting, to each member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the member at his or her address as it appears on the records of the corporation, with postage prepaid. Personal notification includes notification by telephone, by electronic means, or by facsimile machine, provided however, in the case of facsimile notification, the member to be contacted shall acknowledge personal receipt of the facsimile notice by a return message or telephone call within twenty-four hours of the first facsimile transmission.

The notice of any meeting of members at which directors are to be elected shall also state the names of all those who are nominees or candidates for election to the board at the time notice is given.

Whenever any notice of a meeting is required to be given to any member of this corporation under provisions of the articles of incorporation, these bylaws, or the law of this state, a waiver of notice in writing signed by the member, whether before or after the time of the meeting, shall be equivalent to the giving of such notice.

Section 5. Quorum for Meetings

A quorum shall consist of ten percent of the voting members of the corporation.

Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, no business shall be considered by the members at any meeting at which the required quorum is not present, and the only motion which the Chair shall entertain at such meeting is a motion to adjourn.

Section 6. Majority Action as Membership Action

Every act or decision done or made by a majority of voting members present in person or by proxy at a duly held meeting at which a quorum is present is the act of the members, unless the articles of incorporation, these bylaws, or provisions of law require a greater number.

Section 7. Voting Rights

Each individual membership for members age 18 or older is entitled to one vote and each family membership is entitled to two votes on each matter submitted to a vote by the members. Voting at duly held meetings shall be by voice vote. Election of Directors, however, shall be by written ballot.

Section 8. Action by Written Ballot

Except as otherwise provided under the articles of incorporation, these bylaws, or provisions of law, any action which may be taken at any regular or special meeting of

members may be taken without a meeting if the corporation distributes a written ballot to each member entitled to vote on the matter. The ballot shall:

1. set forth the proposed action;
2. provide an opportunity to specify approval or disapproval of each proposal;
3. indicate the number of responses needed to meet the quorum requirement and, except for ballots soliciting votes for the election of directors, state the percentage of approvals necessary to pass the measure submitted; and
4. shall specify the date by which the ballot must be received by the corporation in order to be counted. The date set shall afford members a reasonable time within which to return the ballots to the corporation.

Ballots shall be mailed, sent by electronic means, or delivered in the manner required for giving notice of membership meetings as specified in these bylaws.

Approval of action by written ballot shall be valid only when the number of votes cast by ballot within the time period specified equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the action at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

Directors may be elected by written ballot. Such ballots for the election of directors shall list the persons nominated at the time the ballots are mailed or delivered.

Section 9. Conduct of Meetings

Meetings of members shall be presided over by the president of the corporation or, in his or her absence, by the vice president of the corporation or, in the absence of all of these persons, by a chairperson chosen by a majority of the voting members present at the meeting. The secretary of the corporation shall act as secretary of all meetings of members, provided that, in his or her absence, the presiding officer shall appoint another person to act as secretary of the meeting.

Meetings shall be governed by Robert's Rules of Order, as such rules may be revised from time to time, insofar as such rules are not inconsistent with or in conflict with the articles of incorporation, these bylaws, or with provisions of law.

ADOPTION OF BYLAWS

We, the undersigned, are all of the initial directors or incorporators of this corporation, and we consent to, and hereby do, adopt the foregoing bylaws, consisting of twenty-three preceding pages, as the bylaws of this corporation.

Dated: March 27, 2014
