



**Bylaws**  
**Blue River Horse Center, Inc**  
**DBA Summit Valley Horse Center**

**Article I. Offices**

*Section 1. Principal Office*

The principal office of the corporation for the transaction of business is located at PO Box 1865, Silverthorne, CO 80498 and the physical address is 184 Hamilton Court, Breckenridge, Colorado, 80424,

*Section 2. Changes of Address*

The address of the principal office may be changed only by amendment of these bylaws.

*Section 3. Other Offices*

The Corporation may also have other offices at such other places, inside or outside the state of Colorado, as its business may require and as the Board of Directors may designate.

*Section 4. Name Recognition*

All references herein to the Summit Valley Horse Center are recognized as a trade name under Blue River Horse Center, Inc.

**Article II. Purpose**

*Section 1. Objectives and Purposes*

The Mission of the Summit Valley Horse Center is to provide rehabilitation to rescued horses, so that they are more likely to be adopted into loving homes. We also aspire to enrich the lives of our community of volunteers and visitors to Summit County by providing them the opportunity to learn about the nature of horses, how to communicate with them, and to experience the well-known benefits of horse-person connections. People helping horses helping people.

We realize this mission through the following activities:

- (a) Partnering with horse rescue organizations in Colorado to bring abandoned/neglected horses to our ranch each summer, so that our trained volunteers can gentle them, train them, with the ultimate goal to make them adoptable.
- (b) Offering learning opportunities to teach individuals of all ages how to communicate with horses, help horses be responsive to human direction, and if appropriate, receptive to riding.
- (c) Partnering with local youth and adult agencies to help them meet their objectives by providing them interactive experiences with horses at our ranch.
- (d) Serving as a Summit County community resource and partner in giving community members the chance to interact with horses, deepen their knowledge about all aspects of horsemanship, engage in ranch activities, and experience the joy and benefits of human – horse connection.

### **Article III. Members**

#### *Section 1. Corporation Members*

The Corporation shall have no members.

### **Article IV. Directors**

#### *Section 1. Number*

The presiding Directors shall determine the exact number of Directors, provided that the Corporation shall have no less than five (5) and no more than eleven (11) Directors. The number of directors may be fixed or changed from time to time within the range by the voting members or the board of directors.

A director shall be a natural person who is eighteen years of age or older.

A director need not be a resident of this state or a member of the nonprofit corporation.

#### *Section 2. Powers*

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 3. Duties*

It shall be the duty of the Directors to:

- (a) Perform all duties assigned them by law, these Bylaws, or by the Articles of Incorporation of the Corporation.
- (b) Supervise, appoint, remove or discharge, and define the duties and compensation of the executive director and employees of the Corporation, except as provided for elsewhere in these Bylaws.
- (c) Attend meetings required by law, these Bylaws, or the Articles of Incorporation.
- (d) Register their current address with the Secretary of the corporation.

#### *Section 4. Officers of the Board of Directors*

A nonprofit corporation shall have a president, a vice-president, a secretary, a treasurer, and such other officers as may be designated by the board of directors. The treasurer cannot serve as the president or secretary. These officers shall be elected from the active board of director's slate.

The secretary shall be responsible for the preparation and maintenance of minutes of the directors' and members' meetings and other records and information required to be kept by the nonprofit corporation and for authenticating records of the nonprofit corporation

#### *Section 5. Terms of Office*

Terms of Office shall be as follows:

- (a) The members of the Board of Directors shall serve a 2-year term as directors and 4-year term if the director is an officer as set forth in these by-laws. Election of the Directors will

take place in accordance with the rules set out by Colorado law, these Bylaws, and the Articles of Incorporation.

- (b) Directors may be elected for successive terms and renew their term voluntarily if approved by the majority vote of the Directors.
- (c) The terms of the initial directors of a nonprofit corporation expire at the first meeting at which directors are elected or appointed.
- (d) Despite the expiration of a director's term, a director continues to serve until the director's successor is elected, appointed, or designated and qualifies, or until there is a decrease in the number of directors

#### *Section 6. Compensation*

Directors shall serve their terms with no compensation for their duties. However, all directors and officers shall be entitled to reimbursements for pre-approved expenses incurred while performing their duties.

#### *Section 7. Vacancies*

Vacancies in the Board of Directors shall exist whenever (1) a Director term expires, resigns, no longer able to perform duties or is removed from the Board, or (2) whenever the Board votes to increase the number of Directors.

An office may be declared vacant if the Director who held that position has been declared of unsound mind by a final order of court of competent jurisdiction, has been convicted of a felony, or has been found by a judgment of court to have breached any of the duties of a Director, provided for by these Bylaws, the Articles of Incorporation, or the law.

A director is deemed to have resigned for failing to attend more than four (4) meetings in a given year, or failing to meet other specified obligations of the board of directors.

The Board of Directors may remove a Director by majority vote of the remaining Directors.

Any Director may resign by giving written notice of resignation to the President, Vice-President, Secretary, or the Board of Directors. Resignation is effective upon given notice unless that notice states a later date for effectiveness of resignation. A Director may not resign if that would leave this corporation without any Directors.

If a vacancy occurs on a board of directors, including a vacancy resulting from an increase in the number of directors:

(a) Board of Directors will be the voting members to fill the vacancy by a vote of the majority of the remaining Directors;

(b) If the directors remaining in office constitute fewer than a quorum of the board of directors, they may fill the vacancy by the affirmative vote of a majority of all the directors remaining in office.

#### *Section 8. Election and Qualifications of Directors*

The Directors are elected to their office upon majority vote by the current Directors upon vacation of a Director position or the end of a Director's term. Each Director shall hold the position of Director until he or she resigns, is removed, or until his or her successor shall be elected, whichever comes first.

### *Section 9. Non-liability of Directors*

A Director is not liable to the Corporation or donors for monetary damages for an act or omission in the Director's capacity as director except to the extent otherwise provided by a statute of the State of Colorado.

### *Section 10. Indemnification by Corporation of Directors, Officers, and other Agents*

The Corporation may indemnify a person who was or is threatened to be made a named defendant or respondent in litigation or other proceedings because the person is or was a Director or other person related to the Corporation regardless of the provisions in the laws governing indemnification. As provided in the bylaws, the Board of Directors shall have the power to define the requirements and limitations for the Corporation to indemnify directors, officers, or others related to the Corporation.

## **Article V. Board of Directors Meetings**

### *Section 1. Place of Meetings*

The place of the meeting of the Board of Directors shall be specified in prior written notice served upon each Director. (via email or US Post Office) The meeting shall only be valid if written notice of the location of the meeting has been received by each Director, via email or letter no less than seven (7) days before the meeting.

A Director may attend a meeting in-person or via electronic communication to include phone call or video conference call provided that Director has given notice to the President, Vice-President or Secretary of their intent. A director participating in a meeting by electronic means is deemed to be present in person at the meeting.

### *Section 2. Regular and Annual Meetings*

Regular meetings of Board of Directors of the Corporation shall be held bi-monthly (6 times annually), or more often if needed, in person, via email or an electronic Internet chat room, message service, or conference call. Annual meetings of the corporation shall be as set forth by the Board of Directors.

### *Section 3. Special Meetings*

Special meetings of the Board of Directors may be called by the President of the Corporation or by any two Directors. The person(s) calling the meetings shall provide notices of the meeting to each Director. In the case of a special meeting a two (2) day notice requirement shall apply.

### *Section 4. Notice of Meetings*

Notices of all meetings shall be sent to the Directors no less than seven (7) days before the meeting. The notice shall include the date, time, and location of the meeting as well as the purpose of the meeting. The notices shall be mailed or emailed to the address for each Director that is on record with the Secretary of the Corporation.

### *Section 5. Waiver of Notice and Consent to Holding Meetings*

All meetings of the Board of Directors are valid provided a quorum, as defined in these Bylaws, is present and all Directors not present must provide a proxy statement to another Director to vote on their behalf. Any proxy statements shall be kept on file with the minutes of the meeting.

*Section 6. Quorum for Meetings*

A quorum shall consist of no less than fifty percent (50%) of the total number of members of the Board of Directors.

No business shall be considered or conducted by the Board of Directors at any meeting that does not have a quorum present unless provided for by these Bylaws, the Articles of Incorporation, or the law. The only motion the President may entertain at a meeting at which a quorum is not present is a motion to adjourn.

*Section 7. Majority Action as Board Action*

Whenever a quorum is present at any meeting of the Board of Directors, any action taken or decision made by the majority of the Directors present, is the act of the Board of Directors unless a different percentage is required by law, these Bylaws, or the Articles of Incorporation.

*Section 8. Conduct of Meetings*

The President of the corporation shall preside over all meetings of the Board of Directors. In the President's absence, the Vice President shall preside over all meetings of the Board of Directors.

*Section 9. Action by Unanimous Consent Without Meeting*

Any action required or permitted by the Board of Directors under any provision of the law, the Bylaws, or the Articles of the Incorporation may be taken by unanimous consent of the members of the Board of Directors. Any action taken via unanimous consent of the Board of Directors shall have the same force and effect as the unanimous vote of the Board of Directors. Any documents filed from an action taken by unanimous consent must state that the decision was reached by a unanimous consent via email or USPS.

**Article VI. Officers**

*Section 1. Number of Officers*

The officers of this Corporation shall include the President, Vice President, Secretary, and Treasurer. Neither the Secretary nor the Treasurer may serve as President. The Corporation may also have other officers as designated by the Board of Directors.

*Section 2. Qualification, Election, and Terms of Office*

Terms of Office shall be as follows:

- (a) The Officers shall serve a set term of office of 4 years. They may keep their offices as long as they are capable of carrying out their duties. The Officers' terms of office may end upon their resignation or upon their removal from office in accordance with these Bylaws, the law, or the Articles of Incorporation.
- (b) Each Director who is not an Officer will serve a term of office of two years.
- (c) Election of the officers will follow the rules set out by the law, these Bylaws, and the Articles of Incorporation.

*Section 3. Removal and Resignation*

An officer may be removed at any time by the majority vote of the Board of Directors.

Any officer may resign at any time by giving notice to the President, Secretary, or Board of Directors. Resignation shall be effective on the date of notice unless a later date is specified in the notice.

#### *Section 4. Vacancies*

In the event of a vacancy of an office by resignation, removal, death, or otherwise, the Board of Directors shall vote to replace the officer. The officer shall serve until the next annual meeting where an election may be held for that office.

#### *Section 5. General Standards of Conduct for directors and officers*

Each director shall discharge the director's duties as a director, including the director's duties as a member of a committee of the board, and each officer with discretionary authority shall discharge the officer's duties under that authority:

- (a) In good faith;
- (b) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
- (c) In a manner the director or officer reasonably believes to be in the best interests of the nonprofit corporation.

In discharging duties, a director or officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

- (a) One or more officers or employees of the nonprofit corporation whom the director or officer reasonably believes to be reliable and competent in the matters presented; or
- (b) Legal counsel, a public accountant, or another person as to matters the director or officer reasonably believes are within such person's professional or expert competence.

A director or officer is not liable as such to the nonprofit corporation or its members for any action taken or omitted to be taken as a director or officer, as the case may be, if, in connection with such action or omission, the director or officer performed the duties of the position in compliance with this section.

A director, regardless of title, shall not be deemed to be a trustee with respect to the nonprofit corporation or with respect to any property held or administered by the nonprofit corporation including, without limitation, property that may be subject to restrictions imposed by the donor or transferor of such property.

#### *Section 6. Conflicting Interest Transaction*

The term "conflicting interest transaction" means: A contract, transaction, or other financial relationship between a nonprofit corporation and a director of the nonprofit corporation, or between the nonprofit corporation and a party related to a director, or between the nonprofit corporation and an entity in which a director of the nonprofit corporation is a director or officer or has a financial interest.

No loans shall be made by a corporation to its directors or officers. Any director or officer who assents to or participates in the making of any such loan shall be liable to the corporation for the amount of such loan until the repayment thereof.

No conflicting interest transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding by a member or by or in the right of the nonprofit corporation, solely because the conflicting interest transaction involves a director of the nonprofit corporation or a party related to a director or an entity in which a director of the nonprofit corporation is a director or officer or has a financial interest or solely because the director is present at or participates in the meeting of the nonprofit corporation's board of directors or of the committee of the board of directors that authorizes, approves, or ratifies the conflicting interest transaction or solely because the director's vote is counted for such purpose if:

(a) The material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the board of directors or the committee, and the board of directors or committee in good faith authorizes, approves, or ratifies the conflicting interest transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors are less than a quorum; or

(b) The material facts as to the director's relationship or interest and as to the conflicting interest transaction are disclosed or are known to the members entitled to vote thereon, and the conflicting interest transaction is specifically authorized, approved, or ratified in good faith by a vote of the members; or

(c) The conflicting interest transaction is fair as to the nonprofit corporation.

Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or of a committee which authorizes, approves, or ratifies the conflicting interest transaction. A Board of Director shall recuse themselves from a vote if they are aware of a conflict of interest on that item.

For purposes of this section, a "party related to a director" shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent of a sibling, an estate or trust in which the director or a party related to a director has a beneficial interest, or an entity in which a party related to a director is a director, officer, or has a financial interest.

#### *Section 7. Nondiscrimination*

To the extent required by Article 15 of the Executive Law (also known as the Human Rights Law) and all other State and Federal statutory and constitutional non-discrimination provisions, the Board of Directors or the Summit Valley Horse Center, LLC staff will not discriminate against any volunteer, participant, vendor or contractor because of race, creed, color, sex (including gender identity or expression), national origin, sexual orientation, military status, age, disability, predisposing genetic characteristics, marital status or domestic violence victim status.

#### *Section 8. Duties of President*

The President shall supervise and control the affairs of the Corporation and activities of the officers, subject to the supervision of the Board of Directors. The President shall carry out all duties required by law, these Bylaws, and the Corporation's Articles of Incorporation as well as those assigned by the Board of Directors. The President shall preside over all meetings of the Corporation. The President shall keep copies of all records and documents of the Corporation. The President shall submit monthly status reports to the Secretary and keep a copy on file. The President shall also review the monthly status reports of the Treasurer. Except as otherwise provided by law, the Articles of Incorporation, or by these Bylaws, the President shall execute such deeds, mortgages, bonds, contracts, checks, or other documents in the name of the Corporation, which may be authorized by the Board of Directors.

### *Section 9. Duties of the Vice President*

The Vice President shall perform all the duties of the President in the event of the President's absence or inability or refusal to act. When performing the duties of the President, the Vice President shall be subject to all the restrictions on the President and have all the powers of the President. The Vice President will also review the monthly status reports of the Treasurer. The Vice President shall also have other powers and duties as may be provided by law, the Articles of Incorporation, these Bylaws, or by the Board of Directors.

### *Section 10. Duties of the Secretary*

The Secretary shall perform duties as provided for by the Articles of Incorporation, these Bylaws, the law, or by the Board of Directors. The Secretary shall keep minutes of all meetings of the corporation. The Secretary shall maintain the principal office and keep copies of all of the records and documents of the Corporation at the principal office. The Secretary shall also give all notices in accordance with the provisions of these Bylaws, the Articles of Incorporation, or as required by law. The Secretary shall keep the Bylaws at the principal office. The Secretary shall provide the Bylaws, meeting minutes, and donor records to any Director who requests them.

### *Section 11. Duties of the Treasurer*

The Treasurer shall perform duties as provided for by the Articles of Incorporation, these Bylaws, the law, or by the Board of Directors. The Treasurer shall establish and maintain a bank account for the Corporation. The Treasurer and President shall also have charge and custody of all funds and securities of the Corporation, and deposit all such funds in the bank account of the corporation or other trusts or companies as dictated by the Board of Directors.

The Treasurer shall receive payment due the Corporation and make receipt for that payment. The Treasurer will ensure all records have another signature of approval from the President or Vice-President and original receipts prior to approval and payment. The Treasurer shall also keep and maintain all financial records of the Corporation and display them to any Director, agent for a Director, or attorney of a Director as requested. The Treasurer shall also prepare reports for the President and Vice President as well as any report required by law, the Articles of Incorporation, or these Bylaws.

The President and Treasurer will ensure that there is an annual audit conducted by an outside professional auditor

Treasurer will be responsible for developing and submitting for Board of Directors approval and annual budget including expenditures and funding (donations, grants etc). Treasurer will work with the Board of Directors and Executive Director in the development of the annual budget.

### *Section 12. Duties of the Executive Director*

Reporting to the Board of Directors, the Executive Director (ED) will have overall strategic and operational responsibility for Summit Valley Horse Center staff, programs, expansion, and execution of its mission. The Executive Director will develop an annual business plan and annual review and updates of programs, operations, and essential fund-raising events critical to the operation of the center.

Leadership & Management:

- Ensure excellence of ongoing local programs, program evaluation, *ranch operations and*



*maintenance*, and administration, fundraising, communications; recommend timelines and resources needed to achieve the strategic goals set by the Board of Directors

- Actively engage and support the Summit Valley Horse Center-volunteers, board members, event committees, alumni, partnering organizations, donors and funders
- Develop, maintain, and support a strong Board of Directors: serve as ex-officio of each committee, seek and build board involvement with strategic direction for both ongoing local operations as well as statewide connections.
- Ensure effective measures to track growth progress, and regularly evaluate program components, so as to measure successes that can be effectively communicated to the board, donors, funders, and other constituents

#### Fundraising & Communications:

- Expand local revenue generating and fundraising activities to support existing program operations and regional expansion.
- Ensure adequate communications to recruit, train, motivate, and retain volunteers
- Deepen and refine all aspects of communications—from web presence to external relations with the goal of creating a stronger brand.
- Use external presence and relationships to garner new opportunities

#### Planning & New Business:

- Begin to build partnerships in new markets, establishing relationships with the funders, and political and community leaders
- Be an external local and national presence that publishes and communicates program results with an emphasis on the successes of the local program as a model for regional and national replication

#### Qualifications:

The Executive Director will be thoroughly committed to Summit Valley Horse Center mission, vision and goals and have proven leadership, coaching, and extensive equine training and management experience. Concrete demonstrable experience and other qualifications include:

- College degree, with at least 10 years of extensive equine training.
- Excellence in organizational management with the ability to coach staff, manage, and develop high-performance teams, set and achieve strategic objectives, and manage a budget
- Strong marketing, public relations, and fundraising experience with the ability to engage a wide range of stakeholders and cultures
- Strong written and verbal communication skills; a persuasive and passionate communicator with excellent interpersonal and multidisciplinary project skills
- Action-oriented, entrepreneurial, adaptable, and innovative approach to business planning
- Ability to work effectively in collaboration with diverse groups of people
- Passion, idealism, integrity, positive attitude, mission-driven, and self-directed

#### Compensation:

Annually, the board should conduct a performance review of the Executive Director, and other staff members including compensation. The Executive Director's performance should be assessed in respect of the annual goals established by the Board of Directors and the organizational accomplishments. The compensation package should reflect his/her performance as well as industry standards. When

determining compensation, the board must comply with both Colorado law and federal income tax laws, which prohibit the payment of more than reasonable compensation (CRS § 7-133-102; IRC § 4941 and 4958).

## **Article VII. Committees**

### *Section 1. Advisory Board and Committees*

The Directors of the Corporation may establish an advisory board and committees by a resolution as needed from time to time. Any committee established by the Board of Directors may elect one member of that committee to sit on the Board of Directors as advisor to the Board of Directors. A Board member must preside over each committee.

### *Section 2. Meetings and Actions of Committees*

The meetings of committees of the Corporation shall be governed by the same provisions in these Bylaws as meetings of the Board of Directors with the substitution of the committee and its members for the Board of Directors and Directors. The exception to this is that the Board of Directors can set the regular meeting time and place for any committee of this Corporation and may also call special meetings of any committee. The Board of Directors may also adopt additional regulations for meetings of committees as long as those regulations are not inconsistent with these Bylaws.

## **Article VIII. Execution of Instruments, Deposits, and Funds**

### *Section 1. Execution of Instruments*

The Board of Directors may authorize via a resolution 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 unless otherwise provided for by these Bylaws, the Articles of Incorporation, or the law. This authority may be confined to specific instances or it may be general authority. No agent or officer of the Corporation shall have the power or authority to bind the Corporation by any contract or engagement or to pledge its credit or render it liable monetarily unless authorized by the Board of Directors.

### *Section 2. Checks and Balances*

Unless specified otherwise by law, these Bylaws, or the Articles of Incorporation, the Treasurer and/or ~~Vice-President or President Executive Director~~ must cosign any checks, drafts, promissory notes, orders for payment of money, and other evidence of indebtedness of the Corporation that exceed the amount of five hundred dollars (\$500). Any checks, drafts, promissory notes, orders for payment of money, and other evidence of indebtedness under the amount of five hundred dollars (\$500) may be signed by either the President, Treasurer, or the Vice President solely, however all original receipts must be submitted to Treasurer for financial accounting and ultimate approval. An organizational financial audit will be conducted by an outside accredited auditor annually at a minimum.

### *Section 3. Deposits*

All of the Corporation's funds will be deposited to the credit of the Corporation in banks, trust companies, or other depositories that the Board of Directors selects.

### *Section 4. Gifts*

The Board of Directors may accept, on the Corporation's behalf, any contribution, gift, bequest, or devise for the general purpose of the Corporation. The Board of Directors may make gifts and charitable contributions not prohibited by these Bylaws, the Articles of Incorporation, law, and provisions set out in federal tax law that must be complied with to maintain the Corporation's federal and state tax status.

#### *Section 5. Loans*

The Corporation may not make any loan to a Director or Officer of the Corporation. A Director, Officer, or committee member of the Corporation may lend money to and otherwise transact business with the Corporation except as otherwise provided by these Bylaws, the Articles of Incorporation, and applicable law. Such a person transacting business with the Corporation has the same rights and obligations relating to those matters as other persons transacting business with the Corporation. The Corporation may not borrow money from or otherwise transact business with a Director, Officer, or committee member of the Corporation unless the transaction is described fully in a legally binding instrument and is in the Corporation's best interests. The Corporation may not borrow money from or otherwise transact business with a member, Director, Officer, or committee member of the Corporation without full disclosure of all relevant facts and without the Board's approval, not including the vote of any person having a personal interest in the transaction.

### **Article IX. Corporate Records and Reports**

#### *Section 1. Maintenance of Corporation Records*

The Corporation shall keep the following at its principal office at the location designated in Article I.

- (1) Minutes of all meetings of the Board of Directors, committees, and donors. The minutes shall include the time, date, place of the meeting, the type of meeting, how called, the notice given, the names of those present, the proceedings of the meeting.
- (2) Copies of the books and records of account. These shall include accounts of properties, business transactions, assets, liabilities, receipts, disbursements, gains, and losses.
- (3) A record of all donors. This record shall include their names, addresses, and type of donation held.
- (4) A copy of the Corporation's Bylaws and Articles of Incorporation shall be kept. These shall include any and all amendments. Copies of both the Bylaws and Articles of Incorporation shall be available to any donor upon request.

The Treasurer of the Corporation shall maintain accurate books and records of all properties, business transactions, assets, liabilities, receipts, disbursements, gains, and losses. The Treasurer shall be responsible for seeing that the principal office receives an updated copy of these records and accounts on a monthly basis.

#### *Section 2. Annual Report*

The Board of Directors shall furnish an annual report no later than one hundred and twenty (120) days after the close of the Corporation's fiscal year (calendar year) to all Directors and to any donor who requests a copy of the report in writing. The report shall contain the following information:

- (1) The assets and liabilities of the Corporation as of the close of the fiscal year.
- (2) Principal changes in assets and liabilities throughout the fiscal year.
- (3) The revenue and receipts of the Corporation during the fiscal year.
- (4) The expenses or disbursements of the Corporation for the fiscal year.

*Section 3. Financial Transparency*

Financial information shall be available from the treasurer at every Board meeting as hard copy or digital pdf's to include P&L statements, Balance sheet and cash available.

**Article X. Fiscal Year**

The fiscal year of the Corporation shall run from the first day of January to the last day of December.

**Article XI. Dissolution**

*Section 1. Dissolution Vote*

Summit Valley Horse Center may be dissolved by a unanimous vote of the Board of Directors at an annual or special meeting.

*Section 2. Disbursement of Assets*

Upon dissolution of Summit Valley Horse Center, the Board of Directors shall, after paying or making provisions for payment of any and all liabilities of this Corporation, dispose of all assets of the Corporation to a nonprofit Corporation for the purpose of rescuing equines. The nonprofit Corporation to which such assets go must be operated exclusively for charitable, educational, or scientific purposes and at the time qualify as an exempt organization under Section 501 (c) (3) of the Internal Revenue Service Code of 1954, or of a future United States Internal Revenue Law.

**Article XII. Amendment of Bylaws**

*Section 1. Amendment*

The Bylaws can be amended only by a majority vote of all the Directors.

**Article XIII. Amendment of Articles**

*Section 1. Amendment*

The Articles of Incorporation can be amended only by a majority vote of all the Directors.

**Article XIV. Corporate Profits and Assets**

*Section 1. Prohibition Against Sharing Corporate Profits and Assets*

No donor, Director, Officer, employee, nor anyone else associated with the Corporation, nor any private individual shall receive at any time any of the net earnings or profits from operation of the Corporation, provided, however, that this provision shall not prevent payment to any such person or reasonable compensation for services performed for the Corporation in effecting any of its public or charitable purposes, provided that such compensation is otherwise permitted by the Bylaws. No such person shall be entitled to share in the distribution of and shall not receive any of the Corporation's assets on dissolution of the Corporation. The assets of the Corporation shall be distributed as required by the Articles of Incorporation and not otherwise.

## **Article XV. Indemnification**

### *Section 1. When Indemnification is Required, Permitted, and Prohibited*

- a) The Corporation will indemnify a Director, Officer, committee member, employee, or agent of the Corporation who was, is, or may be named defendant or respondent in any proceeding as a result of his or her actions or omissions within the scope of his or her official capacity in the Corporation. For the purposes of this article, an agent includes one who is or was serving at the Corporation's request as a Director, Officer, partner, proprietor, trustee, partnership, joint venture, sole proprietorship, trust, employee-benefit plan, or other enterprise.
- b) The Corporation will indemnify a person only if he or she acted in good faith and reasonably believed that his or her conduct was in the Corporation's best interests. In case of a criminal proceeding, the person may be indemnified only if he or she had no reasonable cause to believe that the conduct was unlawful. The Corporation will not indemnify a person who is found liable to the Corporation or is found liable to another person on the basis of improperly receiving a personal benefit from the Corporation. A person is conclusively considered to have been found liable in relation to any claim, issue, or matter if the person has been adjudged liable by a court of competent jurisdiction, and all appeals have been exhausted. Termination of a proceeding by judgment, order, settlement, conviction, or on a plea of nolo contendere or its equivalent does not necessarily preclude indemnification by the Corporation.
- c) The Corporation will pay or reimburse expenses incurred by a Director, Officer, committee member, employee, or agent of the Corporation in connection with the person's appearance as a witness or other participation in a proceeding involving or affecting the Corporation when the person is not a named defendant or respondent in the proceeding.
- d) In addition to the situations otherwise described in this Article, the Corporation may indemnify a Director, Officer, committee member, employee, or agent of the Corporation to the extent permitted by law. However, the Corporation will not indemnify any person in any situation in which indemnification is prohibited by paragraph (a) of Section 1 above.
- e) The Corporation may advance expenses incurred or to be incurred in the defense of a proceeding to a person who might be entitled to indemnification, even though there has been no final disposition of the proceeding. Advancement of expenses may occur only when the procedural conditions specified in paragraph (c) of Section 3, below, have been satisfied. Furthermore, the Corporation will never advance expenses to a person before final disposition of a proceeding if the person is a named defendant or respondent in a proceeding brought by the Corporation or if the person is alleged to have improperly received a personal benefit or committed other willful or intentional misconduct.

### *Section 2. Extent and Nature of Indemnity*

- a) The indemnity permitted under these Bylaws includes indemnity against judgments, penalties, (including excise and similar taxes), fines, settlements, and reasonable expenses (including attorney's fees actually incurred in connection with the proceeding). If the proceeding was brought by or on behalf of the Corporation, the indemnification is

limited to reasonable expenses actually incurred by the person in connection with the proceeding.

### *Section 3. Procedures Relating to Indemnification Payments*

- a) Before the Corporation may pay any indemnification expenses (including attorney's fees), the Corporation must specifically determine that the indemnification is permissible, authorize indemnification, and determine that expenses to be reimbursed are reasonable, except as provided in subparagraph (c), below. The Corporation may make these determinations and decisions by any one of the following procedures:
  - i. Majority vote of a quorum consisting of directors who, at the time of the vote, are not named defendants or respondents in the proceeding.
  - ii. If such a quorum cannot be obtained, by a majority vote of a committee of the Board, designated to act in the matter by a majority vote of all Directors, consisting solely of two or more Directors who at the time of the vote are not named defendants or respondents in the proceeding.
  - iii. Determination by special legal counsel selected by the Board by the same vote as provided in subparagraphs (i) or (ii), above, or if such a quorum cannot be obtained and such a committee cannot be established, by a majority vote of all Directors.
- b) The Corporation will authorize indemnification and determine that expenses to be reimbursed are reasonable in the same manner that it determines whether indemnification is permissible. If special legal counsel determines that indemnification is permissible, authorization of indemnification and determination of reasonableness of expenses will be made as specified by subparagraph (a) (iii), above, governing selection of special legal counsel. A provision contained in the Articles of Incorporation, or a resolution of the Board that requires the indemnification permitted by paragraph (a) of Section 1, above, constitutes sufficient authorization of indemnification even though the provision may not have been adopted or authorized in the same manner as the determination that indemnification is permissible.
- c) The Corporation will advance expenses before final disposition of a proceeding only after it determines that the facts then known would not preclude indemnification. The determination that the facts then known to those making the determination would not preclude indemnification and authorization of payment will be made in the same manner as a determination that indemnification is permissible under subparagraph (a) of Section 3, above.
- d) In addition to this determination, the Corporation may advance expenses only after it receives a written affirmation and undertaking from the person to receive the advance. The person's written affirmation will state that he or she has met the standard of conduct necessary for indemnification under these Bylaws. The written undertaking will provide for repayment of the amounts advanced by the Corporation if it is ultimately determined that the person has not met the requirements for indemnification. The undertaking will be an unlimited general obligation of the person, but it need not be secured and may not be accepted without reference to financial ability to repay.

Written Consent of Directors Adopting Bylaws

We, the undersigned, are all Directors of the Summit Valley Horse Center, and pursuant to the authority granted to the Directors by these Bylaws to take action by unanimous written consent without a meeting.

_____ President	_____ Date
_____ Vice President and Director	_____ Date
_____ Treasurer and Director	_____ Date
_____ Secretary and Director	_____ Date
_____ Director	_____ Date
_____ Director	_____ Date
_____ Director	_____ Date