

# **BY-LAWS OF PRANCING HORSE, INC.**

## **ARTICLE I**

### **NAME**

The legal name of the Non-Profit Corporation shall be known as Prancing Horse, Inc., and shall herein after be referred to as the "Corporation" or "Prancing Horse".

## **ARTICLE II**

### **OFFICES**

The principal office of the Corporation shall be located at 6100 Hoffman Road, Hoffman NC 28347. The Registered Office of the Corporation shall be at Hoffman, NC or at such other place within the State of North Carolina as may from time to time be fixed and determined by the Board of Directors (referred to herein as the "Board of Directors" or the "Board").

## **ARTICLE III**

### **MISSION / PURPOSE**

1. The general purposes for this Corporation have been established and set forth in its Certificate of Incorporation. (11/30/1984 NC Secretary of State. Book 3393 Page 125) It is to promote the welfare of individuals with special needs by:
  - a. Providing a program of therapeutic, educational, and recreational value;
  - b. Teaching participants basic horsemanship skills; and
  - c. Providing participants with the opportunity to ride and care for horses in a supervised setting.
2. The mission of Prancing Horse is to enhance the lives of individuals with special needs by providing a safe environment for therapeutic horsemanship.
3. The Corporation is a nonprofit organization 501(c)(3). No part of the assets, income, or profit of the Corporation is distributable to, or goes to the benefit of its directors, officers, or members.
4. The Corporation shall not carry on any activities that would be attempting to influence legislation, except as those activities allowed by Federal Law for 501(c)(3) corporations. It shall not participate in or intervene in any political campaign on behalf of any candidate for public office.

**ARTICLE IV  
BASIC POLICIES**

The following are the basic policies of the Corporation:

1. The Corporation shall be noncommercial, nonsectarian, and nonpartisan.
2. The name of the Corporation or the names of any members in their official capacities shall not be used in any connection with a commercial concern or with any partisan interest or for any purpose not appropriately related to the promotion of the objectives of the Corporation.
3. The Corporation may cooperate with organizations and agencies concerned with individuals with special needs, but persons representing the Corporation in such matters shall make no commitments that bind the Corporation without the express approval of the Board of Directors.

**ARTICLE V  
MEMBERSHIP**

1. All volunteers who actively assist in the operation of Prancing Horse are recognized members of the Corporation provided they have submitted the Volunteer Information Form, completed a background check, and have served a minimum of ten (10) volunteer hours each calendar year. Such individuals have the right to attend and participate in all meetings of the membership, including the right to vote on members of the Board of Directors.
2. Any member of the board may resign from the Corporation by notifying the President or Secretary of the Corporation.
3. Any member may be removed from membership at the sole discretion of the Executive Director for conduct detrimental to the interest of the Corporation.
4. Upon termination of his/her membership, the right of a member to vote and all his/her rights, title, and interest in or to the Corporation shall cease.
5. Members shall not receive compensation for their services; however, the Board of Directors shall have the power in its discretion to contract for and to pay members rendering unusual or special services to the Corporation. This special compensation would be appropriate to the value of such services as determined by the Board of Directors in its sole discretion.

**ARTICLE VI  
MEETINGS OF MEMBERS**

1. *Place of Meetings* - All meetings of members shall be held at the principal office of the Corporation, or at such other place as designated in the notice of the meeting.
2. *Annual Meeting* - The Annual Meeting of members shall be held during the first sixty (60) days of the calendar year for the purpose of electing directors of the Corporation (each a "Director" and

collectively the “Directors”), and for the transaction of such other business as may be properly brought before the meeting.

3. *Quorum* - The majority of the members present at the meeting determines a quorum.
4. *Special Meetings* - Special meetings of the members may be called at any time by the President or by any two Directors. Any member may request in writing to the Board of Directors the need for a special meeting.
5. *Notice of Meetings* - Printed or digital notice stating the time and place of the meeting shall be delivered not less than ten (10) nor more than thirty (30) days before the date of any ‘members’ meeting, to each member of record. In the case of a special meeting, the notice of meeting shall specifically state the purpose for which the meeting is called.
6. *Voting* - At every meeting of members, each member listed on the voting list (as defined in Article VIII) shall be entitled to one (1) vote in person. No absentee or proxy votes shall be allowed.
7. *Parliamentary Authority* The official parliamentary authority for this organization shall be the current edition of *Roberts’ Rules of Order*, in all cases to which they are applicable and in which they are not inconsistent with these by-laws and any special rules of order adopted by the Board and interpreted by the president or his/her designee.

## ARTICLE VII BOARD OF DIRECTORS

### 1. *General Powers and Responsibilities*

The Corporation shall be governed by a Board of Directors, which shall have all the rights, powers, privileges, and limitations of liability of directors of a nonprofit, organized under the Non-Profit Organization Act of North Carolina. The Board shall establish policies, and directives governing business and programs of the Corporation, and shall delegate to the Executive Director and other Corporation staff, subject to the provisions of these by-laws, authority and responsibility to see that the policies and directives are appropriately followed.

### 2. *Number and Qualifications*

The Board shall have up to fifteen (15) but no fewer than nine (9) directors (each a “Director” and collectively “the Directors”). The number of Directors may be changed by special appointment or affirmative majority vote of the Board of Directors.

### 3. *Board Compensation*

The Directors shall receive no compensation other than reimbursement of reasonable expenditures.

### 4. *Quorum*

A quorum of the Board shall be a majority of the elected Directors. If the Board consists of at least nine (9) Directors, then the presence of a majority of the Directors shall constitute a quorum.

### 5. *Board of Elections*

At least thirty (30) days prior to the Annual Meeting (and, in any event, before nominations are made and voted on by members at the Annual Meeting), a slate of recommended Directors shall be prepared by the Governance Committee and presented in writing to the Board (the Governance Committee report).

In addition to the proposed Directors included in the Governance Committee report, additional Director nominations for the Board may be presented at the Annual Meeting by any member present at the meeting, provided that any person proposed to be so nominated otherwise qualifies for membership hereunder, and prior consent has been secured from such nominee.

After review of the Governance Committee report and consideration of any additional Director nominees properly nominated at the Annual Meeting, a slate for new and renewing Directors shall be approved by a majority of those Directors currently in office and present at the Annual Meeting at which a quorum is present.

The Directors shall then be elected at the Annual Meeting of members, and those persons who receive the highest number of votes shall be deemed to have been elected. If any member so demands, the election of Directors shall be by written ballot rather than a verbal vote.

6. *Term of Board of Directors*

All Directors elected to the Board of Directors shall serve a term of three (3) year(s).

7. *Vacancies*

Regular attendance at scheduled Board meetings is expected as a condition for remaining on the Board. A vacancy on the Board of Directors may exist at the occurrence of any of the following conditions:

- a. Death, resignation, or removal of any Director,
- b. Missing three (3) consecutive meetings of the Board of Directors, or a total of six (6) meetings during any one calendar year, unless specifically excused for these absences by the President and
- c. Engaging in conduct detrimental to the interests of the Corporation, for lack of empathy with its objectives, or for refusal to render reasonable assistance in carrying out its purpose.
- d. In the event of any vacancy on the Board of Directors, a majority of the Board, during the course of a Board meeting at which a quorum is present, may appoint a new Director to fill such vacancy and to serve until the next Annual Meeting. Any Director may resign from the Board at any time by giving written notice to the President or Secretary of the Corporation, with a copy to the Board of Directors.

8. *Honorary Board*

The membership of the Honorary Board shall include former Directors of Prancing Horse.

- a. The duties shall be to promote the interests of Prancing Horse whenever representing the organization.
- b. Members of this board may attend and participate in Board meetings with nonvoting privileges.
- c. The Board reserves the right to terminate membership on the Honorary Board if it deems responsibilities and duties are not being met. An Honorary Board member may resign from the Honorary Board with written notice to the President or Secretary of the Corporation.

9. *Advisory Board*

The Advisory Board is created for the purpose of working with the Board. The Board shall have no legal responsibilities and is formed to give advice and recommendations to the board and management. It cannot compel the board or staff to act upon its recommendations. The Advisory Board shall:

- a. Be composed of individuals with diverse skills and experience
- b. Provide the Board and management with objective opinions about the Organization and its operations
- c. Provide input, skills and knowledge toward specific projects.

**ARTICLE VIII  
OFFICERS**

The Officers of the Corporation shall consist of a President, a Vice President, a Secretary, a Treasurer, a Corresponding Secretary and other such officers as the Board may from time to time appoint. At the first meeting of the newly elected Board of Directors, the Board shall select and appoint the officers of the Corporation.

1. *President*

The President shall be the chief executive officer of the Corporation's business and financial affairs subject to the control of the Board. S/he shall, when present, preside at all meetings of the members. S/he shall sign, with the Secretary or any other proper Officer of the Corporation authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these by-laws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general s/he shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

2. *Vice President*

In the absence of the President, the Vice President shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. S/he shall review the Board Book and responsibilities with new Board members while serving as a mentor to them during their first year. S/he will be charged with collecting Board Books from retiring Board Members. The Vice President shall ensure an annual financial report is sent to all Directors within sixty (60) days after the end of the fiscal year of the Corporation. The Vice President shall perform such other duties as from time to time may be assigned to him/her by the Board. The vice president will serve as chair of the Advisory Board.

3. *Secretary*

The Secretary, or his/her designee, shall be the custodian of all records and documents of the Corporation, which are required to be kept at the principal office of the Corporation or in the designated electronic format.

The Secretary shall record minutes at all meetings of the Board, the Annual Meeting and any special meeting, and shall keep said minutes of all such meetings on file in hard copy or electronic format. Minutes of the Board meetings will be distributed electronically within ten (10) days post meeting.

The Secretary shall attend to the giving and serving of all notices of the Corporation. Agendas shall be distributed by the Secretary to all Directors prior to the next Board meeting.

The Secretary, or his/her designee shall keep a record of all members of the Corporation in an electronic format which will include each member's (i) name, addresses and other contact details, and (ii) verification of membership status (i.e. satisfaction of background check and volunteer hour requirements). The Secretary, in consultation with the Membership Committee, shall prepare a voting list prior to each meeting of members (the "Voting List"). The requisite records shall be provided to the Secretary by the Membership Committee. In general, the Secretary will perform all duties as from time to time may be assigned to his/her by the President or Board of Directors.

4. *Treasurer*

It shall be the responsibility of the Treasurer to keep and maintain adequate and accurate accounts of all the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipt disbursements, gains, losses, capital, retained earnings, and other matters requested by the Board.

The Treasurer, or his/her designee, shall deposit and keep the same in such banks and depositories as the Board of Directors shall direct. S/he shall supervise the bookkeeping function to ensure that full and accurate accounts of all monies received and paid out are maintained. Furthermore, the Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, and shall render to the President and Directors whenever requested an account of all the Treasurer's transactions as Treasurer and of the financial condition of the Corporation.

If required by the Board of Directors, s/he shall be bonded; at the expense of the Corporation for the faithful discharge of his/her duties in such sum as the Board of Directors may prescribe.

5. *Corresponding Secretary*

The Corresponding Secretary shall write thank you notes to donors and individuals who support Prancing Horse. S/he shall design and maintain a stock of appropriate materials for correspondence.

6. *Executive Director*

The Board of Directors shall hire an Executive Director to run the day-to-day activities of the Corporation. The Board of Directors shall determine his/her compensation. The Executive Director must attend and participate in Board meetings with non-voting privileges.

7. *Parliamentarian*

At the discretion of the Board of Directors, a Parliamentarian may be appointed to advise the President in responding to points of order and parliamentary inquiries, and generally to provide advice on conducting the meeting according to the rules. The Board of Directors may appoint the Parliamentarian who, if not a board member, will have non-voting privileges.

## ARTICLE IX COMMITTEES

The Board of Directors may, by resolution adopted by the majority of Directors in office, designate one or more standing committees to exercise all or a portion of the authority of the Board to the extent of the powers specifically delegated in the resolution of the Board or in these by-laws.

1. *Membership* - Each such committee shall consist of one (1) or more Directors and may also include persons who are not on the Board but whom the Directors believe to be reliable and competent to serve on the specified committee.
2. *Meetings and Actions of Committees* - Meetings and actions of all committees shall be governed by the provisions of Article VI of these by-laws concerning meetings and actions of Directors.
3. *Meeting Schedule* - The time for regular meetings of committees may be determined by resolution of the Board or the committee. Each committee shall meet at least quarterly or more frequently as determined by the Chair of the committee.
4. *Reports* - The Chair of each committee shall give written or oral reports of each meeting and/or activity to the Board at the next scheduled Board meeting following the committee meeting.

#### STANDING COMMITTEES

1. *Executive Committee* - The President of the Board of Directors appoints the Executive Committee to conduct confidential, emergency, and or personnel-sensitive matters in between regular meetings of the Board of Directors. It shall be composed of the President and any two of the remaining elected officers of the Board. Any final decisions taken by this committee must be submitted and ratified at the next Board of Directors' meeting.
2. *Long Range Strategic Planning Committee* - This committee establishes flexible three (3) year planning for Prancing Horse which reflects the operating committees' work and drafts succession plans for key positions for emergency and long-term absences.
3. *Governance Committee* - This committee is guided by the by-laws and the Long-Range Strategic Planning Committee Plan. The purpose of this committee is to assist and support the activities of each committee of the Board in order to achieve their maximum potential and function as a focused and cohesive unit. This committee shall review these by-laws and committee goals and objectives annually, and recommend any revisions to the Board of Directors. This committee will maintain a file of the member's signed conflict of interest and ethics documents.
4. *Membership Committee* - This committee ensures adequate volunteers to carry out the Long-Range Strategic Planning Committee plan and investigates ways of expanding membership to attract special skills for future needs.
5. *Finance Committee* - This committee shall provide financial oversight. This includes recording of income and expenses, financial reporting, coordination with other committees for budgeting and financial planning, creation and monitoring of internal controls and accountability policies.
6. *Fund Development Committee* - This committee facilitates and expands current fundraising revenue, secures additional grants, endowments, and donors.
7. *Communications/Marketing/PR* - This committee develops ideas to expand opportunities to educate the public and promote Prancing Horse through new marketing avenues. The committee also thanks donors, parents, and community members, as appropriate.

#### ARTICLE X

#### FINANCE

1. *Fiscal Year* - The fiscal year shall be coincident with the calendar year.
2. *Indemnification* - The Corporation shall indemnify and save harmless the Board of Directors and each of them from liability imposed by law, excepting liability for gross negligence, and attorney's fees incurred in connection therewith, which may be incurred by them regarding the performance of their official duties on behalf of the Corporation.
3. *Audits* - The financial affairs of the Corporation shall be audited annually, if the income exceeds five hundred thousand dollars (\$500,000.00.) The Treasurer, with the approval of the Board of Directors, will designate the person or firm to perform the audit.
4. *Contracts* - The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract on behalf of the Corporation. Any such authority may be general or confined to specific instances.
5. *Loans* - No loans shall be contracted for on behalf of the Corporation, and no indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors.
6. *Checks and Drafts* - All checks, drafts, or other orders for the payment of money, issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall be determined by resolution of the Board of Directors.
7. *Deposits* - All funds of the Corporation not otherwise employed shall be deposited to the credit of the Corporation in such depositories as the Board of Directors may select.
8. *Corporate Earning* - No member, Director, officer or employee or person connected with the Corporation, or any other private individuals shall receive at any time any of the net earnings or pecuniary profit from the operations of the Corporation.

## ARTICLE XI OPERATIONS

It shall be the responsibility of the Board of Directors to see that appropriate facilities are provided for the operation of the Corporation.

1. *Executive Director* - The Board of Directors shall hire an Executive Director to run the day-to-day activities of the Corporation. The Board of Directors shall determine his/her compensation.
2. *Program Director* - Provides overall day-to-day oversight to ensure the successful implementation of the core lesson program activity and adheres to PATH, Int. standards. The Board of Directors shall determine his/her compensation.
3. *A Bit Used Store Manager* - Provides overall day-to-day oversight of *A Bit Used* to insure successful operation of the store.
4. *Military Services Manager* - Provides overall day-to-day oversight of the various military programs while coordinating with the Program Director to maintain PATH, Int. standards.
5. *Advisor* - Provides oversight and guidance for assigned area of supervision and reports operational information to the Board.
6. *Barn Manager* - Provides day-to-day oversight of the barn activities. Supervises the care and feeding of the equines and other farm animals. Ensures to safety of the animals, facility and equipment. The Board of Directors shall determine his/her compensation.



7. *Farm Manager* - Provides overall day-to-day maintenance of the Center.
8. *Volunteer Coordinator*: Provides overall supervision, is responsible for recruitment and training of volunteers, and scheduling of volunteers. This includes volunteers at the farm, at A BIT USED and at events.

## ARTICLE XII RECORDS AND REPORTS

### *1. Maintenance and inspection of Articles and By-Laws*

The corporation shall keep at its principal Office the original or a copy of its Certificate of Incorporation and By-Laws as amended to date, which shall be open to inspection by the Directors and members at all reasonable times during office hours.

### *2. Maintenance and inspection of Federal Tax Exemption Application and Annual Information Returns*

The Corporation shall keep at its principal office a copy of its federal tax exemption application and its annual information returns for three years from their date of filing, which shall be open to public inspection and copying to the extent required by law.

### *3. Preparation of Annual Financial Statements*

The Corporation shall prepare annual financial statements using generally accepted accounting principles. Such statements shall be audited by an independent certified public accountant, in conformity with generally accepted accounting standards when the annual income exceeds \$500,000.

### *4. Reports*

The Board shall ensure an annual financial report is sent to all Directors within sixty (60) days after the end of the fiscal year of the Corporation, which shall contain the following information:

- a. The assets and liabilities, including trust funds, of this corporation at the end of the fiscal year.
- b. The principal changes in assets and liabilities, including trust funds during the fiscal year.
- c. The expenses or disbursements of the Corporation for both general and restricted purposes during the fiscal year.

## ARTICLE XIII DISSOLUTION OF THE CORPORATION

Upon the dissolution of the Corporation, the Board of Directors shall, after payment of all the liabilities of the Corporation, dispose of all assets of the Corporation to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall qualify as an exempt corporation or organizations under section 501 (c)(3) of the Internal Revenue code of 1986 , as amended (or of the corresponding provisions of any future United States Revenue Law) as the Board of Directors shall determine. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to its members, officers, Directors or any person except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered.

**ARTICLE XIV  
EXEMPT ACTIVITIES**

Notwithstanding any other provisions of these by-laws, no member, Director, officer, employee, or representative of this Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Internal Revenue Code and its regulations as they now exist or as they may be amended, or by an organization contributions of which are deductible under the Internal Revenue Code and regulations as they now exist or as they may be amended.

**ARTICLE XV  
BY-LAWS REVISIONS AND AMENDMENTS**

These by-laws may be revised or amended at any regular or special meeting of the Board of Directors by a two-thirds (2/3) vote of the Directors currently in office, and upon notice of the proposed provision or amendment being delivered to each Director not fewer than fourteen (14) days before the meeting. Any proposed revision or amendment must be consistent with the Certificate of Incorporation. The Governance Committee may make revisions to these by-laws that are strictly non-substantive or grammatical without Board of Directors approval.

These by-laws, as heretofore written were approved and adopted by vote of the Board of Directors on 12-13-21, and supersede all prior by-laws.

**CERTIFICATE OF SECRETARY**

I, Carolyn Thompson, certify that I am the current elected and acting Secretary of Prancing Horse, Inc., and the above by-laws of the corporation as adopted by the Board of Directors on 12-13-21, and they have not been amended or modified since the above.

Executed this day on 2-14-22, in the county of Moore in the state of North Carolina.