

1. Purpose

1.1 Nonprofit Purpose

This corporation is organized exclusively for charitable, religious, educational, and scientific purposes, 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, or the corresponding section of any future federal tax code.

1.2 Specific Purpose

The purpose of this organization shall be:

1. To assist the various government and private agencies in the establishment, maintenance and management of trails and other back country resources.
2. To work to ensure that public lands remain open to recreational stock use.
3. To educate and encourage the wise use of the back-country resource by horsemen and the general public.
4. To perpetuate the common-sense use and enjoyment of horses in America's back country and wilderness.
5. To actively involve youth in activities related to our purpose, and maintain a family-oriented organization.

2. Membership

2.1. Eligibility

Membership is open to any individual interested in promoting the purpose stated above.

2.2. Membership Types

Individual, Family (consisting of up to two adults and any number of children under the age of 18, all living at the same address), Supporter, and Sponsor. The Supporter and Sponsor membership categories are for those who want to make a more significant contribution to the organization, and the board may elect to grant additional benefits (for example, advertising).

2.3. Organizational Membership

Upon approval of the BCHET board any outside organization may join and the membership fee shall be waived.

2.4. Dues

The board of directors shall set the dues amount for the various membership types. The membership year corresponds to the calendar year (January to December). Any first-time member joining in the 4th quarter shall have their membership valid through the end of the following year. Dues shall be considered delinquent when not paid within three months of the January 1st date. Delinquency in payment of the annual dues shall remove a member from “good standing” and said member shall relinquish all voting rights and privileges. The holding of any office or membership on any committee shall be contingent upon the members being in “good standing.”

3. Voting

3.1. Voting Eligibility

All members in good standing are entitled to vote on all matters voted upon during membership meetings. Individual members have one vote, while family, supporter and sponsor members have one vote per adult (up to two). Organizational members shall have one vote, to be delivered by any designated representative.

3.2. Quorum

For a vote on any matter to be accepted, a quorum must be present at the meeting. At regular meetings, 10% of the voting membership present will constitute a quorum. At a board meeting, a simple majority (4) shall constitute a quorum. Exception is noted in sections 8.1 and 8.3 below.

3.3. Proxy Votes

If a member wishes to vote on a matter, but cannot attend the meeting, the member may still vote by providing a written notice. The notice should contain the member’s name, member’s signature, the subject of the vote and the member’s decision. The written notice may be delivered by any means to the person tallying the votes, before or during the voting process.

4. Meetings

4.1. Membership meetings

Regular membership meetings shall be held with a frequency and at a time and place decided upon by the board members. Adequate notice must be provided. Notice of the regular meetings shall be announced to the members via email, website calendar, and BCHET Facebook page. Special meetings may be called by the board, and shall be announced by other means, if necessary.

4.2. Board Meetings

Board meetings shall be held on a regular basis at a time and place decided upon by the board members. Regular members shall be welcome to attend board meetings but they shall have no vote. Anyone who wants to attend a board meeting should contact a board member for the time and place and indicate if they have a matter they wish to present to the board.

5. Officers, and Directors

5.1. Offices

The offices of this organization are president, vice president, secretary and treasurer.

5.2. Directors

In addition to the officers, the board shall be comprised of five (5) directors. Additional directors may serve if there is a desire.

5.2.1 The Director nominee identified, as the runner -up will serve as an alternate Director. They are not required to attend any meetings but they may do so. Minutes of the board meetings will be sent to the alternate director. In the event that an elected director is not able to serve the alternate will be called on to fill the open position.

5.3. Vacancies

Any vacancy for any officer or director for the balance of such term shall be filled by appointment of the board, excepting the presidency, which will automatically be filled by the vice president.

6. Duties of Officers, and Directors

6.1. Board of Directors (Officers and Board Members)

The supreme power and authority of this organization shall be lodged in it's assembled meetings and the officers and directors shall conform to the wishes and instructions of the organization, but subject to such control and direction by the organization, the board of directors shall manage and execute the affairs of the organization. When the organization is not in session, the board of directors shall have all needful authority to execute the purposes of the organization.

6.2. President

It shall be the duty of the President to preside at all meetings of the organization and of the board, and to exercise general executive control over the affairs of the organization, and to call special meetings of the members and/or the board, and to perform all other duties pertaining to such office. He shall be an ex-officio member of all committees.

6.3. Vice President

The Vice President shall assist the President when called upon to do so, and in his absence, shall be vested with all the powers and duties of the president.

6.4. Secretary

The Secretary shall record and keep the minutes of all regular, special board meetings; shall register the names of the members; issue notices and perform such other duties as pertains to such office. The secretary shall be responsible for maintaining custody of the records and papers of the organization (such as charter, by-laws, etc.). The secretary will supply each new officer or director with an electronic copy of the by-laws. Communication with the members through a regular newsletter shall be the responsibility of the secretary although the board may appoint another member to assist with this.

6.5. Treasurer

The Treasurer shall collect dues, keep and disburse all the funds of the organization and shall keep a written account of same which shall be open for inspection by any member in good standing, and shall furnish a written report of the state of the finances monthly, and shall be one of the three check signers of record, any two of which may validate a check. All funds shall be kept in a bank account. The treasurer shall be responsible for the submission of any records and tax returns required by law and shall prepare an annual statement.

6.6. Director

The directors shall formulate policies, approve procedures and programs, establish dues, attend meetings, generally assist and support the functions and programs of the organization and approve all expenditures with the exception of the following:

1. Secretarial supplies under \$15.00.
2. Director Approved ongoing expense
3. Donations made directly to or ear marked for a BCHET approved project. (These funds will be managed by the BCHET approved project team and must be used to complete the project per the project scope.)

7. Elections

7.1. Election of Officers and Directors

All officers and directors shall be elected by a majority vote during a membership meeting to be held the second Thursday in November. (Circumstances and weather permitting)

7.2. Terms

Directors shall serve two-year terms with three vacancies occurring in odd numbered years and two in even years. Officers shall serve two-year terms with the President and Secretary elected in odd numbered years and the Vice President and Treasurer elected in even years.

7.3. Term Limits

No officer shall hold the same office for more than three (3) consecutive terms. There shall be no limit for service by Directors.

7.4. Nominating Committee

The board shall appoint a nominating committee of three members two months prior to the regular election of officers and directors. The purpose of the nomination committee shall be to provide a list of suitable candidates for officers and directors to the membership. The list shall be made available to the members one month prior to the election. Any member shall be allowed to submit a nomination to the committee.

8. Removal of Officers / Directors

8.1. Removal Proposal

Any officer or director may be relieved of his duties by an action instituted by (1) a two-thirds vote of the board of directors or (2) a majority vote of voting members at a regular meeting.

8.2. Notification

Notification of action to remove an officer or director must be made at the regular meeting preceding the meeting that the action is to take place.

8.3. Removal Action

Action to remove an officer or director requires a two-thirds majority vote of voting members at the regular meeting.

8.4. Absenteeism

If any board member misses over three consecutive board meetings without a just reason accepted by the board, the position may be declared vacant and will be replaced by appointment of the board.

9. Committees

9.1. Creation

Committees to aid the function of this organization shall be designated by the President with the approval of the board.

9.2. Composition

The committee chairmen shall be appointed by the President with the approval of the board and will in turn appoint their committees' members as necessary to accomplish their committees' functions. Committees must be comprised of members in good standing.

10. Conflict of Interest Policy and Compensation

Article I

Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Back Country Horsemen Of East Tennessee, BCHET) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. 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.

Article II

Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, which has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,

- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization 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 Article III, Section 2, 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.

Article III

Procedures

1. 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.

2. 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, s/he 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.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, s/he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. 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.
- c. After exercising due diligence, the governing board or committee shall determine whether the Organization 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.
- d. 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 Organization'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.

4. Violations of the Conflicts of Interest Policy

- a. 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.
- b. 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.

Article IV

Records of Proceedings

The minutes 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.

Article V

Compensation

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

- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI

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 Organization is charitable and in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Article VII

Periodic Reviews

To ensure the Organization 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 Organization'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.

Article VIII

Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Organization 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.

11. Indemnification

Section 1. General

To the full extent authorized under the laws of the State of Tennessee, the corporation shall indemnify any director, officer, employee, or agent, or former member, director, officer, employee, or agent of the corporation, or any person who may have served at the corporation's request as a director or officer of another corporation (each of the foregoing members, directors, officers, employees, agents, and persons is referred to in this Article individually as an "indemnatee"), against expenses actually and necessarily incurred by such indemnatee in connection with the defense of any action, suit, or proceeding in which that indemnatee is made a party by reason of being or having been such member, director, officer, employee, or agent, except in relation to matters as to which that indemnatee shall have been adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of a duty. The foregoing indemnification shall not be deemed exclusive of any other rights to which an indemnatee may be entitled under any bylaw, agreement, resolution of the Board of Directors, or otherwise.

Section 2. Expenses

Expenses (including reasonable attorneys' fees) incurred in defending a civil or criminal action, suit, or proceeding may be paid by the corporation in advance of the final disposition of such action, suit, or proceeding, if authorized by the Board of Directors, upon receipt of an undertaking by or on behalf of the indemnatee to repay such amount if it shall ultimately be determined that such indemnatee is not entitled to be indemnified hereunder.

Section 3. Insurance

The corporation may purchase and maintain insurance on behalf of any person who is or was a member, director, officer, employee, or agent against any liability asserted against such person and incurred by such person in any such capacity or arising out of

such person's status as such, whether or not the corporation would have the power or obligation to indemnify such person against such liability under this Article.

12. Amendments

12.1. Articles of Incorporation

The Articles may be amended in any manner at any regular or special meeting of the Board of Directors, provided that specific written notice of the proposed amendment of the Articles setting forth the proposed amendment or a summary of the changes to be effected thereby shall be given to each director at least three days in advance of such a meeting if delivered personally, by facsimile, or by e-mail or at least five days if delivered by mail. As required by the Articles, any amendment to Article III or Article VI of the Articles shall require the affirmative vote of all directors then in office. All other amendments of the Articles shall require the affirmative vote of an absolute majority of directors then in office.

12.2. Bylaws

The Board of Directors may amend these Bylaws by majority vote at any regular or special meeting. Written notice setting forth the proposed amendment or summary of the changes to be affected thereby shall be given to each director within the time and the manner provided for the giving of notice of meetings of directors.

12.3. Liquidation, Dissolution, or Termination

In the event of liquidation, dissolution, or termination of the Back Country Horsemen of East Tennessee, any assets remaining shall be transferred to the Back Country Horsemen of Tennessee or to another Back Country Horsemen organization as determined by the Board of Directors of BCHET.

These by-laws adopted by the undersigned officers of the Back Country Horsemen of East Tennessee:

<u>Debra McDonald</u>	<u>4-8/2022</u>	<u>Larry Jeffers</u>	<u>4-7-2022</u>
President, Debra McDonald	Date	Vice President, Larry Jeffers	Date
<u>Jamie C Fritsch</u>	<u>4-2-2022</u>	<u>Michelle R. King</u>	<u>4/8/2022</u>
Treasurer, Jamie Fritsch	Date	Secretary, Michelle King	Date

BY-LAWS OF THE BACK COUNTRY HORSEMEN OF EAST TENNESSEE

	<p>2). Updated section 6.6 Limited expenditures as:</p> <ol style="list-style-type: none"> 1. Secretarial supplies under \$15.00. 2. Director Approved ongoing expense 3. Donations made directly to or ear marked for a BCHET approved project. (These funds will be managed by the BCHET approved project team and must be used to complete the project per the project scope.) 	<p>Update section 6.6 to improve control and definition of expenditures</p>		
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