Form **1023**
(Rev. September 1998)
Department of the Treasury
Internal Revenue Service

Application for Recognition of Exemption
Under Section 501(c)(3) of the Internal Revenue Code

OMB No. 1545-0056

Note: *If exempt status is approved, this application will be open for public inspection.*

Read the instructions for each Part carefully.

A User Fee must be attached to this application.

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

Complete the Procedural Checklist on page 8 of the instructions.

Part I Identification of Applicant

1a Full name of organization (as shown in organizing document)
Dream Catcher Stables, Inc.

2 Employer identification number (EIN) (If none, see page 3 of the **Specific Instructions**.)
76 : 0618111

1b c/o Name (if applicable)
Sanna B. Roling

3 Name and telephone number of person to be contacted if additional information is needed
Sanna B. Roling
(281) 353-7413

1c Address (number and street) 4323 Chestergate — Room/Suite

1d City, town, or post office, state, and ZIP + 4. If you have a foreign address, see **Specific Instructions** for Part I, page 3.
Spring, TX 77373-6704

4 Month the annual accounting period ends
~~December~~
May

5 Date incorporated or formed
August 23, 1999

1e Web site address
www.neosoft.com/~rbs (as of October 31, 1999)

6 Check here if applying under section: a ☐ 501(e) b ☐ 501(f) c ☐ 501(k) d ☐ 501(n)

7 Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? ☐ Yes ☒ No
If "Yes," attach an explanation.

8 Is the organization required to file Form 990 (or Form 990-EZ)? ☐ N/A ☒ Yes ☐ No
If "No," attach an explanation (see page 3 of the **Specific Instructions**).

9 Has the organization filed Federal income tax returns or exempt organization information returns? ☐ Yes ☒ No
If "Yes," state the form numbers, years filed, and Internal Revenue office where filed.

10 Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING. (See **Specific Instructions** for Part I, Line 10, on page 3.) See also Pub. 557 for examples of organizational documents.)

a ☒ Corporation— Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also include a copy of the bylaws.

b ☐ Trust— Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.

c ☐ Association— Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of the bylaws.

If the organization is a corporation or an unincorporated association that has not yet adopted bylaws, check here ▶ ☐

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here ▶ Sanna B. Roling (Signature) Sanna B. Roling, VP, Secretary, Treas. (Type or print name and title or authority of signer) Sept. 22, 1999 (Date)

RRR-CH

The State of Texas

Secretary of State

CERTIFICATE OF INCORPORATION

OF

DREAM CATCHER STABLES, INC.
CHARTER NUMBER 01547841

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS, HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE FOUND TO CONFORM TO LAW.

ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS CERTIFICATE OF INCORPORATION.

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE THE USE OF A CORPORATE NAME IN THIS STATE IN VIOLATION OF THE RIGHTS OF ANOTHER UNDER THE FEDERAL TRADEMARK ACT OF 1946, THE TEXAS TRADEMARK LAW, THE ASSUMED BUSINESS OR PROFESSIONAL NAME ACT OR THE COMMON LAW.

DATED AUG. 23, 1999

EFFECTIVE AUG. 23, 1999

Elton Bomer, Secretary of State

FILED
In the Office of the
Secretary of State of Texas

AUG 2 3 1999

Corporations Section

ARTICLES OF INCORPORATION
OF
DREAM CATCHER STABLES, INC.

I, the undersigned natural person of the age of twenty-one (21) years or more, and who is a citizen of the State of Texas, acting as Incorporator of a corporation (hereinafter called the "Corporation"), under the Texas Nonprofit Corporation Act (hereinafter called the "Act"), hereby adopt the following Articles of Incorporation for such corporation.

ARTICLE I
Name

The name of the corporation is **DREAM CATCHER STABLES, INC.**

ARTICLE II
Non-Profit

The corporation is a nonprofit corporation.

ARTICLE III
Duration

The period of its duration is perpetual.

ARTICLE IV
Purpose

4.01 This corporation is organized exclusively for charitable, 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 tax code. Specifically, the corporation is formed to educate and promote business in the community.

4.02 No part of the net earnings of the corporation shall inure to the benefit of any director of the corporation, officer of the corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes), and no director or officer of the corporation, or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation. No substantial part of the activities of the corporation shall be carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

4.03 The corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to tax on undistributed income imposed by applicable provisions of the Internal Revenue Code or corresponding provisions of any subsequent federal tax laws.

4.04 The corporation shall not engage in any act of self-dealing as defined in the Internal Revenue Code or corresponding provisions of any subsequent federal tax laws.

4.05 The corporation shall not retain any excess business holidays as defined in the Internal Revenue Code or corresponding provisions of any subsequent federal tax laws.

4.06 The corporation shall not make any investments in such manner as to subject the corporation to tax per the requirements of the Internal Revenue Code or corresponding provisions of any subsequent federal tax laws.

4.07 The corporation shall not make any taxable expenditures as defined in the Internal Revenue Code or corresponding provisions of any subsequent federal tax laws.

4.08 Notwithstanding any other provision of these Articles of Incorporation, the corporation shall not conduct or carry on any activities not permitted to be conducted or carried on by an organization exempt from taxation of the Internal Revenue Code and its Regulations as they now exist or as they may be amended.

4.09 Upon dissolution of the corporation or the winding up of its affairs, the assets of the corporation shall be distributed exclusively to charitable, religious, scientific, testing for public safety, literary, or educational organizations which would then qualify under the provisions of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended.

ARTICLE V
Members

The corporation shall have members. There may be different classes of members as set forth in the corporation by-laws.

ARTICLE VI
Preferences, Privileges, Restriction, and Rights

No part of the net earnings of the nonprofit corporation shall inure to the benefit of or be distributed to its members, trustees, directors, officers or other private persons with the exception that the corporation is empowered to pay necessary and reasonable compensation and expenses for services rendered and to make payments and distributions in furtherance of the corporation's purposes as set forth in Article IV. The corporation's primary purpose shall not be used for the promotion of propaganda including, but not limited to, lobbying or influencing legislation and the corporation, however, may engage in legislative activities to the extent permitted by law. Furthermore, the corporation shall not engage in activities which are disallowed under the Internal Revenue Code and its Regulations as they now exist or may be hereinafter amended. The corporation is organized pursuant to the Texas Non-Profit Corporation Act and does not contemplate pecuniary gain or profit and is organized solely for nonprofit purposes.

Upon the dissolution of the corporation or the winding up of its affairs, the assets of the corporation shall be distributed to another non profit organization engaged in similar activities and with similar purposes after all liabilities and obligations have been paid in full and are discharged and all assets subject to a condition upon transfer are conveyed according to said condition.

ARTICLE VII
Registered Office and Agent

The name of the corporation's Registered Agent is:

Glynn D. Nance

The address of the corporation's registered office is:

1111 North Loop West, Suite 810
Houston, Texas 77008

ARTICLE VIII
Indemnification

8.01 The corporation shall indemnify every director or officer, his or her heirs, executors and administrators, against expenses actually and reasonably incurred by him or her, as well as any amount paid upon a judgment, in connection with any action, suit or proceeding, civil or criminal, in which he or she may be made a party to by reason of having been a director or officer of the corporation.

8.02 This indemnification is being given since the directors will be requested to act by the corporation, for the corporation's benefit.

8.03 The indemnification shall not be exclusive of other rights to which the director may be entitled.

ARTICLE IX
Directors

9.01 The number of directors constituting the initial board of directors is three (3), and the names and addresses of the persons who are to serve as the initial directors until the first annual meeting of the shareholders or until successors are elected and qualified is:

Name:	Pat Rogers
Address:	6511 Lynngate Dr. Spring, Texas 77373-7336
Name:	Laura Kazmiroski
Address:	7823 Peggy Lane Pearland, Texas 73584
Name:	Sanna B. Roling
Address:	4323 Chestergate Spring, Texas 77008-4713

9.02 The number of directors may be increased or decreased from time to time by amendment to the Bylaws, but no decrease shall have the effect of shortening the term of any incumbent director.

ARTICLE X
Incorporator

The name and address of the incorporator is:

Glynn D. Nance
Nance & Duncan, P.L.L.C.
1111 North Loop West, Suite 810
Houston, Texas, 77008-4713

IN WITNESS WHEREOF, and for the purpose of forming a corporation under the laws of the State of Texas, I, the undersigned incorporator of this Corporation, have executed these Articles of Incorporation on this the 20th day of August, 1999.

Glynn D. Nance

Glynn D. Nance, Incorporator
1111 North Loop West, Suite 810
Houston, Texas 77008-4713

BYLAWS

OF

DREAM CATCHER STABLES, INC.

ARTICLE I
Offices and Agent

The Corporation may have such offices, either within or without the State of Texas, as the Board of Directors may designate or as the business of the Corporation may require from time to time.

The registered office of the Corporation required by the Texas Business Corporation Act to be maintained in the State of Texas may be, but need not be, identical with the principal office in the State of Texas, as designed by the Board of Directors. The address of the registered office or the identify of the registered agent may be changed from time to time by the Board of Directors.

The address of the initial registered office of the Corporation and the name of the initial registered agent of the Corporation at such address are set out in the Articles of Incorporation of the Corporation.

ARTICLE II
Shareholders

This non-profit corporation shall have no shareholders.

ARTICLE III
Board of Directors

Section 1. General Power. The powers of the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed by its Board of Directors except as the Board of Directors shall delegate the power to so manage to the Executive Committee or other committee.

Section 2. Number, Tenure and Qualifications. The number of initial directors comprising the Board of Directors shall be as set forth in the Articles of Incorporation. Thereafter, the Directors shall not be less than three (3) or more than five (5). Upon resolution of the Board of

Directors the number of directors may be increased or decreased, but no decrease shall have the effect of shortening the term of any incumbent director. Each director shall office until the next annual meeting of the Members, unless earlier removed, and until his successor shall have been elected and qualified. A director need not be a resident of the State of Texas or a Shareholder of the Corporation.

Section 3. Regular Meetings. A regular meeting of the Board of Directors shall be held without notice other than this bylaw immediately after, and at the same place as, the annual meeting of Members. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Texas, for the holding of additional regular meetings without notice other than such resolution.

Section 4. Meetings Conducted By Telephonic and/or Electronic Modes of Communication. Special meetings of the Board of Directors may be called by or at the request of the President or a majority of the elected and acting directors from time to time. The person or persons authorized to call special meetings of the Board of Directors may fix any place, either within or without the State of Texas, as the place for holding any special meeting called by them, provided a majority of Directors approve a meeting site outside the State of Texas. If no such approval is obtained, such meeting shall take place at the registered office of the Corporation.

Section 5. Notice. Written notice of any special meeting shall be delivered personally to each director or by mail or telegram, telex, telecopy, or similar means of visual data transmission to each director at his/her business address, in all cases at least one day prior to such meeting. If mailed, such notice shall be deemed to be delivered two days after such notice has been deposited in the United States mail so addressed, with postage thereon prepaid. If notice is given by telegram, telex, telecopy or similar means of visual data transmission, such notice shall be deemed to be delivered when transmitted for delivery to the recipient at such address. Any director may waive notice of any meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because that meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board of Directors need be specified in the notice, or waiver of notice of such meeting.

Section 6. Quorum. A majority of the number of directors fixed in accordance with Section 2 of this Article III shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 7. Manner of Acting.

(a) **Actions at a Meeting.** Except as provided in Paragraph (b) of this Section 7, the act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

(b) **Actions Without a Meeting.** Any action required or permitted to be taken at a meeting of the Board of Directors or any committee may be taken without a meeting, if a consent in writing, setting forth the action so taken, is signed by all of the members of the Board of Directors, Executive Committee or other committee, as the case may be. Such consent shall have the same force and effect as a unanimous vote at a meeting. Such writing, which may be in counterparts, shall be manually executed in practicable; provided, however, that if circumstances so require, effect shall be given to written consent transmitted by telegraph, telex, telecopy, or similar means of visual data transmission.

(c) **Meetings Conducted By Telephonic and/or Electronic Modes of Communication.** Subject to the provisions required by the Texas Business Corporation Act for notice of meetings, meetings of the Board of Directors of the Corporation or any committee may be conducted by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear and speak to each other. Meetings may be held by electronic or computer transmitted communications, including but not limited to what is commonly referred to as "E-Mail", and any signature transmitted by any source of electronic communication shall be deemed as a valid signature for all meetings and voting purposes.

Section 8. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of (a) the holders of a majority of the outstanding shares entitled to vote thereon at an annual or special meeting of Members called for that purpose; or (b) a majority of the remaining directors though less than a quorum of the Board of Directors. A person elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

A vacancy shall be deemed to exist by reason of the death or resignation of the person elected, or upon the failure of Members to elect directors to fill the unexpired term of directors removed in accordance with the provisions of Section 9 of this Article III.

A directorship to be filled by reason of an increase in the number of directors may be filled by (a) the affirmative vote of the holders of a majority of the outstanding shares entitled to vote thereon at an annual or special meeting of Members called for that purpose; or (b) the Board of Directors for a term of office continuing only until the next election of one or more directors by the Members; provided that the Board of Directors may not fill more than two such directorships during the period between any two successive annual meetings of Members.

Section 9. Removal. At any meeting of Members called expressly for the purpose of removal, any director or the entire Board of Directors may be removed, with or without cause, by a vote of the holders of a majority of the shares then entitled to vote at an election of directors. Removal of directors with or without cause may also be accomplished by unanimous written consent of the Members without a meeting. In case the entire board or any one or more of the directors are so removed, new directors may be elected at the same meeting, or by the same written consent, for the unexpired terms of the director or directors so removed. Failure to elect directors to fill the unexpired term of the directors so removed shall be deemed to create a vacancy or vacancies in the Board of Directors.

<u>**Section 10. Compensation.**</u> By resolution of the Board of Directors, the directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

<u>**Section 11. Presumption of Assent.**</u> A director of the Corporation who is present at a meeting of the Board of Directors in which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting, or unless he shall file his written dissent to such action with the person acting as Secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

<u>**Section 12. Executive and Other Committees.**</u> There may be established an Executive Committee, and one or more other committees, composed of one or more directors designated by resolution adopted by a majority of the full number of directors of the Board of Directors as fixed in accordance with Section 2 of this Article III. The Executive Committee or such other committees may meet at stated times, or on notice to all members by any one member. Vacancies in the membership of the Executive Committee or such other committees shall be filled by a majority vote of the full number of directors on the Board of Directors at a regular meeting or at a special meeting called for that purpose. During the intervals between meetings of the Board, the Executive Committee, if it shall have been established, may advise and aid the officers of the Corporation in all matters concerning its interest and the management of its business, and shall generally perform such duties and exercise such powers as may be directed or delegated by the Board of Directors from time to time. The Board of Directors may delegate to the Executive Committee or such other committees the authority to exercise all the powers of the Board of Directors, except the power to declare dividends or to authorize the issuance of shares of the Corporation, and where action of the full Board of Directors is required by the Texas Business Corporation Act. The designation of and delegation of power to the Executive Committee shall not operate to relieve the Board of Directors, or any members thereof, of any responsibility imposed upon it or him by law.

ARTICLE IV
Officers

<u>**Section 1. Number.**</u> The officers of the Corporation shall be a President, one or more Vice Presidents (the number and specific titles thereof to be determined by the Board of

Directors), a Secretary, and a Treasurer, each of whom shall be elected by the Board of Directors. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any two or more offices may be held by the same person.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held after each annual meeting of the Members. If the election shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Each officer shall hold office until his successor shall have been duly elected or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.

Section 3. Removal. Any officer may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, or the person so removed.

Section 4. Vacancies. A vacancy in any office, because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. President. The President shall be the chief executive officer of the Corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the day to day business and affairs of the Corporation. He shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time. In the absence of a Chairman, the President shall serve as the Presiding Officer of any meeting of the Members or Board of Directors.

Section 6. The Vice Presidents. In the absence of the President or in the event of his death, inability or refusal to act, the Vice President (or should there be more than one Vice President, the Vice Presidents in the order designated at the time of their election, or in the absence of any designation then in the order of their election) shall perform the duties of President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. He shall perform such other duties as from time to time may be assigned to him by the President or the Board of Directors.

Section 7. The Secretary. The Secretary shall: (a) keep the minutes of the Members and the Board of Directors meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws, or as required by law; (c) be custodian of the corporate records and of the seal of the Corporation, and see that the seal of the Corporation is affixed to all documents as may be necessary or appropriate; (d) keep a register of the post office address of each Shareholder, which shall be furnished to the Secretary of such Shareholder; (E) have general charge of the stock transfer books of the Corporation; and (f) in general, perform all duties incident to the office of Secretary, and such other duties as from time to time may be designated to him by the President or the Board of Directors.

Section 8. The Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum, and with such surety or sureties, as the Board of Directors shall determine. He shall: (a) have charge and custody of, and be responsible for, all funds and securities of the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies, or other depositories as shall be selected by the Board of Directors; and (b) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 9. Assistant Secretaries and Assistant Treasurers. The Assistant Secretaries when authorized by the Board of Directors may sign with the President, or a Vice President, certificates for shares of the Corporation, the issuance of which shall have been authorized by a resolution of the Board of Directors. The Assistant Treasurers shall, respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The Assistant Secretaries and Assistant Treasurers, in general, shall perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the President or the Board of Directors.

Section 10. Salaries. The salaries, if any, of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that he is also a director of the Corporation.

ARTICLE V
Fiscal Year

The Board of Directors shall, by resolution, fix the fiscal year of the Corporation. Until otherwise changed, the fiscal year of the Corporation shall be the calendar year.

ARTICLE VI
Distributions

The Board of Directors may from time to time make distributions in the manner provided by law.

ARTICLE VII
Seal

The Board of Directors shall provide a corporate seal, which shall be circular in form and shall have inscribed thereon the name of the Corporation, the state of incorporation, and the five-pointed Texas star.

ARTICLE VIII
Waiver of Notice

Whenever any notice is required to be given to any Director of the Corporation under the provisions of these Bylaws, the Articles of Incorporation or the Texas Business Corporation Act, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE IX
Procedure

Meetings of the Board of Directors shall be conducted in accordance with the procedure as contained in Robert's Rules of Order, to the extent applicable.

ARTICLE X
Participation of Directors and Officers in Related Business

Unless otherwise provided by contract, officers and directors of this Corporation may hold positions as officers and directors of other corporation, in related business, and their efforts to advance the interest to those corporations will not create a breach of fiduciary duty to this Corporation in the absence of bad faith.

ARTICLE XI
Amendments

The Board of Directors shall have the exclusive power to alter, amend or repeal these Restate Bylaws or adopt new Bylaws, subject to amendment, repeal or adoption of new Bylaws by action of the Directors and unless the Directors in amending, repealing or adopting a new Bylaw expressly providing that only the Board of Directors may amend or repeal that Bylaw. The Board of Directors may exercise this power at any regular or special meeting which a quorum is present by the affirmative vote of a majority of the Directors present at the meeting and without any notice of the action taken with respect to the Bylaws having been contained in the notice of waiver of notice of such meeting.

Executed this 23rd day of August, 1999.

Sanna B Roling
Secretary

Part II **Activities and Operational Information** Dream Catcher Stables, Inc.

1 Provide a detailed narrative description of all the activities of the organization—past, present, and planned. **Do not merely refer to or repeat the language in the organizational document.** List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: **(a)** a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; **(b)** when the activity was or will be initiated; and **(c)** where and by whom the activity will be conducted. Our horsemanship education program provides each participant with the opportunity to increase: self-esteem, fine and gross motor skills, positive interactions with people, and desire to succeed academically and/or vocationally. Additionally our volunteers and staff gain an understanding and tolerance of persons with differing abilities, and have the opportunity to stretch their skls and minds. The community impact can include greater understanding, reduced juvenile crime, and greater individual productivity.

Special Olympics Program -- open to persons eligible to participate in Special Olympics. Equestrians train year round in all phases of horsemanship with emphasis on skills leading to competition. All participants in this program compete in appropriate Special Olympics competitions and other competitions that may arise from time to time. Program begins immediately, conducted by one or more qualified horsemanship instructors and certified Special Olympic Coaches with the assistnace of 0-3 volunteers per equestrian. 100% of program until suitable facilities can be found.

Horsemanship Education -- open to persons with disabilities and youth-at-risk (50% future). Participants receive on-going training in horse care and in riding skills. Options available under this program includd: Recreational Riding, Sport (competition), Unified Training, and Pre-vocational/Vocational opportunities. Open to school and institutional groups as well as individuals. Begins as soon as suitable facilities can be found. Conducted by qualified horsemanship instructor in presence of public/private school teacher(s)/group staff.

Prevocational/Vocational Option -- requires request by individual with appropriate reference/review/support from public/private school or agency. Participants in this option will spend most of their time working around the horses rather than riding. Current opportunities include stable hand, barn management, veterinary/farrier assistant. Additionally horse training and instructor training may be options as our program progresses. Other non-horse vocational possibilities also exist.

Recreation option -- open to groups wishing a taste of horses or a one day experience. Participants spend several hours moving through a wide game format to learn about horses and experience a short horseback ride. Exact subjects covered are determined for each individual group. Can lead to future participation in year round programming.

Unified Training Option -- open to persons with and without disabilities. Limited program of equal numbers of persons with and without disabilities training and ridin in the same lessons and competitions. Leads to drill team, pairs, and dressage programs.

2 What are or will be the organization's sources of financial support? List in order of size.

Grants from foundations
Contributions from corporations, organizations, and private citizens
Fundraisers conducted by our own volunteers and staff
Membership dues and lesson fees

3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.

Beginning this year an annual fundraiser is planned. In early 2000 it will be a barbeque cook-off with live and/or silent auction and entertainment, most likely. Grant requests will be made to at least 5 foundations/corporations. 'An annual internal campaign -- all conducted in house (including solicitation of area merchants). A full marketing plan is expected within 3 months.

Part II **Activities and Operational Information** *(Continued)* Dream Catcher Stables, Inc.

4 Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.	b Annual compensation
Patricia E. Rogers, 6511 Lynngate Dr., Spring, TX 77373, President	-0-
Sanna B. Roling, 4323 Chestergate, Spring, TX 77373-6704, Vice President, Secretary-Treasurer	-0-
Laura Kazmiroski, 7823 Peggy Lane, Pearland, TX 73584, Vice President, Assistant Secretary-Treasurer	-0-

c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials? . . . . . ☐ Yes ☒ No

If "Yes," name those persons and explain the basis of their selection or appointment.

d Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See **Specific Instructions** for Part II, Line 4d, on page 3.) . . . . . ☐ Yes ☒ No

If "Yes," explain.

5 Does the organization control or is it controlled by any other organization? . . . . . ☐ Yes ☒ No

Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors? . . . . ☒ Yes ☐ No

If either of these questions is answered "Yes," explain.

The founders and charter members were originally at the heart of Rainbow Spring Stables. We left when the direction of that organization was significantly altered in favor of therapy and hippotherapy as opposed to the Recreational/Educational/Sport emphasis which we have always embraced. We no longer have any ties to that former organization.

6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than a 501(c)(3) organization): **(a)** grants; **(b)** purchases or sales of assets; **(c)** rental of facilities or equipment; **(d)** loans or loan guarantees; **(e)** reimbursement arrangements; **(f)** performance of services, membership, or fundraising solicitations; or **(g)** sharing of facilities, equipment, mailing lists or other assets, or paid employees? . . . . . ☐ Yes ☒ No

If "Yes," explain fully and identify the other organizations involved.

7 Is the organization financially accountable to any other organization? . . . . . ☐ Yes ☒ No

If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

Part II **Activities and Operational Information** (Continued) Dream Catcher Stables, Inc.

8 What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If none, indicate "N/A." NO Assets currently. We use horses belonging to Laura Kazmiroski and tack belonging to Laura Kazmiroski or Sanna Roling. We are searching for a permanent or long-term lease property.

9 Will the organization be the beneficiary of tax-exempt bond financing within the next 2 years? ☐ Yes ☒ No

10a Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? ☐ Yes ☒ No

b Is the organization a party to any leases? ☐ Yes ☒ No

If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

11 Is the organization a membership organization? ☒ Yes ☐ No

If "Yes," complete the following:

a Describe the organization's membership requirements and attach a schedule of membership fees and dues. Members must have a disability or be youth-at-risk (identified in either case by appropriate medical or educational personnel according to state and federal laws), or volunteer their time.

b Describe the organization's present and proposed efforts to attract members and attach a copy of any descriptive literature or promotional material used for this purpose. Approximately 30 persons with disabilities and 30 volunteer prospects are waiting. Formal recruiting tools are in design stage. Networking with school districts, the Area Special Olympics office, Chambers of Commerce, and speaking at various community group meetings. Formal marketing plan expected in 3 months.

c What benefits do (or will) the members receive in exchange for their payment of dues? Members are covered by supplemental medical insurance and may from time to time, receive a newsletter and opportunities to attend special events highlighting our organization.

12a If the organization provides benefits, services, or products, are the recipients required, or will they be required, to pay for them? ☐ N/A ☒ Yes ☐ No

If "Yes," explain how the charges are determined and attach a copy of the current fee schedule. Members are expected to contribute to the cost of horse care, facilities maintenance/purchase, and staff salaries. Members whose family income is less than $150,000 bear only a portion of the actual costs with donations and grants covering the difference.

b Does or will the organization limit its benefits, services, or products to specific individuals or classes of individuals? ☐ N/A ☒ Yes ☐ No

If "Yes," explain how the recipients or beneficiaries are or will be selected. Services are limited to persons with disabilities, youth-at-risk, volunteer staff and their families, and those individuals accepted into the Unified Training Option. See 11a above for method of category determination. NO ETHNIC, SOCIOECONOMIC, OR RELIGIOUS DESCRIMINATION WILL BE TOLERATED. A registration packet must be completed.

13 Does or will the organization attempt to influence legislation? ☐ Yes ☒ No

If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds that it devotes or plans to devote to this activity.

14 Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? ☐ Yes ☒ No

If "Yes," explain fully.

Dream Catcher Stables, Inc. Sliding Fee Scale[1]

Scholarships are available[2]

Family Income	Membership Fee[3]	Group Lesson	Private Lesson
less than $50,000	$10/year	no charge	$2/lesson
$50,000-$74,999	$10/year	$5/lesson	$10/lesson
$75,000-$99,999	$10/year	$10/lesson	$20/lesson
$100,000-$124,999	$10/year	$15/lesson	$30/lesson
$125,000-$149,999	$10/year	$20/lesson	$40/lesson
$150,000 and over	$10/year	$35/lesson	$50/lesson

Institutional Rates[3]

Recreational - Each participant comes just one time in one year
$5.00/participant/day

Educational - Same participants come several times in one year
$10/participant/year

Volunteers

$10/year Membership Fee[3]

[1]Families and/or individual equestrians receiving lessons at reduced rates are requested to volunteer their time and/or knowledge to assist with the many needs of our program in lieu of money.

[2] We are pledged to serve those who need our services regardless of race, religion, nationality, OR SOCIOECONOMIC background. Persons without the ability to pay even the Membership Fee may receive scholarships. All persons enrolled in our programs or volunteering their time will be treated equally.

[3] Provides supplemental medical insurance, cost of registration materials, and newsletters.

[4]In addition to the monetary fees, each institution is required to provide in-kind donations including transportation and supervisory staff for their program participants AND one or more items from our wish lists such as copying, laminating, paper towels, soap, cleaning supplies, wheelchair, crutches, brooms, etc. The quantity and nature of in-kind donations will be a part of the institutional contract.

Part III **Technical Requirements** Dream Catcher Stables, Inc.

1 Are you filing Form 1023 within 15 months from the end of the month in which your organization was created or formed? . . . . ☒ Yes ☐ No
If you answer "Yes," do not answer questions on lines 2 through 6 below.

2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 7.
Exceptions—You are not required to file an exemption application within 15 months if the organization:

☐ **a** Is a church, interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church. See **Specific Instructions, Line 2a,** on page 4;

☐ **b** Is not a private foundation and normally has gross receipts of not more than $5,000 in each tax year; or

☐ **c** Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

3 If the organization does not meet any of the exceptions on line 2 above, are you filing Form 1023 within 27 months from the end of the month in which the organization was created or formed? . . . . . . ☐ Yes ☐ No

If "Yes," your organization qualifies under Regulation section 301.9100-2, for an automatic 12-month extension of the 15-month filing requirement. Do not answer questions 4 through 6.

If "No," answer question 4.

4 If you answer "No" to question 3, does the organization wish to request an extension of time to apply under the "reasonable action and good faith" and the "no prejudice to the interest of the government" requirements of Regulations section 301.9100-3? . . . . ☐ Yes ☐ No

If "Yes," give the reasons for not filing this application within the 27-month period described in question 3. See **Specific Instructions,** Part III, Line 4, before completing this item. Do not answer questions 5 and 6.

If "No," answer questions 5 and 6.

5 If you answer "No" to question 4, your organization's qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed. Therefore, do you want us to consider the application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date the organization was created or formed? . ☐ Yes ☐ No

6 If you answer "Yes" to question 5 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date the organization was formed and ending with the date the Form 1023 application was received (the effective date of the organization's section 501(c)(3) status), check here ▶ ☐ and attach a completed page 1 of Form 1024 to this application.

Part III **Technical Requirements** *(Continued)* Dream Catcher Stables, Inc.

7 Is the organization a private foundation?
☐ **Yes** (Answer question 8.)
☒ **No** (Answer question 9 and proceed as instructed.)

8 If you answer "Yes" to question 7, does the organization claim to be a private operating foundation?
☐ **Yes** (Complete Schedule E.)
☐ **No**

After answering question 8 on this line, go to line 14 on page 7.

9 If you answer "No" to question 7, indicate the public charity classification the organization is requesting by checking the box below that most appropriately applies:

THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:

a	☐	As a church or a convention or association of churches (CHURCHES MUST COMPLETE SCHEDULE A.)	Sections 509(a)(1) and 170(b)(1)(A)(i)
b	☐	As a school (MUST COMPLETE SCHEDULE B.)	Sections 509(a)(1) and 170(b)(1)(A)(ii)
c	☐	As a hospital or a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital (These organizations, except for hospital service organizations, MUST COMPLETE SCHEDULE C.)	Sections 509(a)(1) and 170(b)(1)(A)(iii)
d	☐	As a governmental unit described in section 170(c)(1).	Sections 509(a)(1) and 170(b)(1)(A)(v)
e	☐	As being operated solely for the benefit of, or in connection with, one or more of the organizations described in a through **d**, **g**, **h**, or **i** (MUST COMPLETE SCHEDULE D.)	Section 509(a)(3)
f	☐	As being organized and operated exclusively for testing for public safety.	Section 509(a)(4)
g	☐	As being operated for the benefit of a college or university that is owned or operated by a governmental unit.	Sections 509(a)(1) and 170(b)(1)(A)(iv)
h	☒	As receiving a substantial part of its support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.	Sections 509(a)(1) and 170(b)(1)(A)(vi)
i	☐	As normally receiving not more than one-third of its support from gross investment income and more than one-third of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).	Section 509(a)(2)
j	☐	The organization is a publicly supported organization but is not sure whether it meets the public support test of **h** or **i**. The organization would like the IRS to decide the proper classification.	Sections 509(a)(1) and 170(b)(1)(A)(vi) or Section 509(a)(2)

If you checked one of the boxes a through f in question 9, go to question 14. If you checked box g in question 9, go to questions 11 and 12. If you checked box h, i, or j, in question 9, go to question 10.

Part III **Technical Requirements** *(Continued)* Dream Catcher Stables, Inc.

10 If you checked box **h**, **i**, or **j** in question 9, has the organization completed a tax year of at least 8 months?
☐ Yes—Indicate whether you are requesting:
☐ A definitive ruling. (Answer questions 11 through 14.)
☐ An advance ruling. (Answer questions 11 and 14 and attach two Forms 872-C completed and signed.)
☒ **No—You must request an advance ruling by completing and signing two Forms 872-C and attaching them to the Form 1023.**

11 If the organization received any unusual grants during any of the tax years shown in Part IV-A, **Statement of Revenue and Expenses**, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.

12 If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here ▶ ☐ and:

a Enter 2% of line 8, column (e), Total, of Part IV-A . . . . ________

b Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount entered on line 12a above.

13 If you are requesting a definitive ruling under section 509(a)(2), check here ▶ ☐ and:

a For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each "disqualified person." (For a definition of "disqualified person," see **Specific Instructions,** Part II, Line 4d, on page 3.)

b For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than $5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

14 Indicate if your organization is one of the following. If so, complete the required schedule. (Submit only those schedules that apply to your organization. **Do not submit blank schedules.**)	Yes	No	If "Yes," complete Schedule:
Is the organization a church?		X	A
Is the organization, or any part of it, a school?		X	B
Is the organization, or any part of it, a hospital or medical research organization?		X	C
Is the organization a section 509(a)(3) supporting organization?		X	D
Is the organization a private operating foundation?		X	E
Is the organization, or any part of it, a home for the aged or handicapped?		X	F
Is the organization, or any part of it, a child care organization?		X	G
Does the organization provide or administer any scholarship benefits, student aid, etc.?		X	H
Has the organization taken over, or will it take over, the facilities of a "for profit" institution? . . .		X	I

Part IV Financial Data Dream Catcher Stables, Inc.

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. **If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.**

A. Statement of Revenue and Expenses

		Current tax year	3 prior tax years or proposed budget for 2 years			
		(a) From 8/23 to 12/31/99	(b) 2000	(c) 2001	(d)	(e) TOTAL
Revenue	1 Gifts, grants, and contributions received (not including unusual grants—see page 6 of the instructions)	19,000	77,500	103,000		199,500
	2 Membership fees received	600	1,500	3,000		5,100
	3 Gross investment income (see instructions for definition)					
	4 Net income from organization's unrelated business activities not included on line 3					
	5 Tax revenues levied for and either paid to or spent on behalf of the organization					
	6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge)					
	7 Other income (not including gain or loss from sale of capital assets) (attach schedule)					
	8 **Total** (add lines 1 through 7)	19,600	79,000	106,000		204,600
	9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513. Include related cost of sales on line 22					
	10 **Total** (add lines 8 and 9)	19,600	79,000	106,000		204,600
	11 Gain or loss from sale of capital assets (attach schedule)					
	12 Unusual grants		200,000	200,000		400,000
	13 **Total revenue** (add lines 10 through 12)	19,600	279,000	306,000		604,600
Expenses	14 Fundraising expenses					
	15 Contributions, gifts, grants, and similar amounts paid (attach schedule)					
	16 Disbursements to or for benefit of members (attach schedule)					
	17 Compensation of officers, directors, and trustees (attach schedule)					
	18 Other salaries and wages		20,000	30,000		
	19 Interest					
	20 Occupancy (rent, utilities, etc.)	8,000	238,800	238,800		
	21 Depreciation and depletion					
	22 Other (attach schedule)	11,400	23,250	31,350		
	23 **Total expenses** (add lines 14 through 22)	19,400	282,050	300,150		
	24 Excess of revenue over expenses (line 13 minus line 23)	200	(3,050)	5,850		

Dream Catcher Stables, Inc. Operating Budget

	1999	2000	2001
Income			
Grants	$ 5,000	$ 45,000	$ 45,000
In-Kind	10,000	16,000	15,000
Donations	2,000	10,000	20,000
Events	2,000	5,000	20,000
Membership	600	1,500	3,000
Program Revenue	___	1,500	3,000
Total Income	**$19,600**	**$79,000**	**$106,000**
Expenses			
Salaries		20,000	30,000
Benefits			
Pension plans			
Other		6,000	6,000
Payroll Taxes		3,000	4,500
Accounting Fees	1,000	1,000	1,000
Legal Fees	5,000	200	200
Supplies	1,000	4,000	6,000
Telephone	350	1,000	1,500
Postage & shipping	500	600	700
Occupancy[1]	8,000	38,800	38,800
Printing & Publications	1,000	2,000	2,000
Travel[2]	1,200	2,500	1,500
Conferences, etc.[3]	800	2,400	7,400
Professional Dues	550	550	550
Total Expenses	**$19,400**	**$82,050**	**$100,150**
Difference	$ 200	($ 3,050)	$ 5,850

Dream Catcher Stables Capital Budget

Land	$375,000
Buildings	150,000
Tractor/Implements	25,000
Other Equipment	60,000
Total Capital Budget	**$610,000**

Assumptions for the numbers: all numbers are based on experience gained with former organizations.

[1] Based on 5 horses in the program in 1999-2000 and 10 horses in the program each succeeding year, leased or itinerant facilities in 1999-2000 and permanent facilities thereafter.

[2] The possibility exists that we will be presenting a paper at an international conference during 1999-2000.

[3] Certification of our instructors and continuing education requirements mandate attendance at CHA, NARHA, LSTN, and FRDI conferences as appropriate. In 2001-2002 we hope to host CHA Instructor Certification clinics.

The Capital Budget is listed separately with no specific dates. Land purchase probably will include a mortgage which would be expected to be a 5 year balloon paid quarterly at prime.

Part IV **Financial Data** *(Continued)* Dream Catcher Stables, Inc.

B. Balance Sheet (at the end of the period shown) N/A not formed yet		Current tax year Date...............
Assets		
1 Cash	1	
2 Accounts receivable, net	2	
3 Inventories	3	
4 Bonds and notes receivable (attach schedule)	4	
5 Corporate stocks (attach schedule)	5	
6 Mortgage loans (attach schedule)	6	
7 Other investments (attach schedule)	7	
8 Depreciable and depletable assets (attach schedule)	8	
9 Land	9	
10 Other assets (attach schedule)	10	
11 **Total assets** (add lines 1 through 10)	11	
Liabilities		
12 Accounts payable	12	
13 Contributions, gifts, grants, etc., payable	13	
14 Mortgages and notes payable (attach schedule)	14	
15 Other liabilities (attach schedule)	15	
16 **Total liabilities** (add lines 12 through 15)	16	
Fund Balances or Net Assets		
17 Total fund balances or net assets	17	
18 **Total liabilities and fund balances or net assets** (add line 16 and line 17)	18	

If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation . . . ▶ ☐