

BY-LAWS

OF

CAIRN RESCUE USA

(A New York Not-For-Profit Corporation)

ARTICLE I

Membership

1. General. The membership of the Corporation shall consist of such persons as may be admitted to membership in accordance with the provisions set forth in this Article I. All memberships shall be non-transferable. No person whom shall have been convicted of animal cruelty, neglect or abandonment by a court of law or other appropriate governmental authority may be a member of the Corporation.

2. Types of Membership. There shall be the following classes of members: Honorary Members, who shall pay no admission fees or dues; Life Members, who shall pay a one-time dues fee; and Annual Members, who shall pay annual dues. Annual Memberships may be further subdivided for fundraising purposes by action of the Board into categories that reflect different levels of financial support to the Corporation. The dues fee for life memberships shall be \$1,000 and may be paid either as a lump sum at the time of admission or in 4 equal quarterly installments over the 12-month period following admission. The annual dues for Annual Memberships shall be as determined from time to time by the Board of Directors.

3. Membership Cards. The Corporation may issue non-transferable membership cards to evidence membership. The fact that the Corporation is a not-for-profit corporation and that the membership card is non-transferable shall be noted conspicuously on the face or back of each such card.

4. Voting. The Members shall have one vote per type of Membership held and shall vote together as one class, regardless of the type of membership held. In order to be eligible to vote, a Member shall be in good standing at the time that the voting takes place and if the voting is for the annual election of Directors, shall have been a Member during the 60 days immediately preceding the election. Members who do not act in person may designate representatives or proxies to act for them in meetings of this Corporation. Proxies may be granted by any legally permissible means, including by electronic transmission. For purposes of these bylaws "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process. A proxy, consent or ballot transmitted by electronic transmission by

a Member from the email address provided by such Member to the Corporation as shown on the records of the Corporation shall be deemed to be written and signed by that Member. In addition, any one or more Members may participate in a meeting by means of a telephonic conference or similar communications equipment or media or by any other technological method that enables Members to see, hear, and discuss, or read and discuss, all business before the Members. Participation by such means shall constitute presence in person at a meeting.

5. Resignation by Member(s). Any Member may resign in writing addressed to the Board of Directors, but such resignation shall not relieve a Member from liability for dues accrued and unpaid at the time such resignation is submitted.

6. Involuntary Termination of Member(s). By unanimous vote of the Board of Directors, after reasonable notice and hearing, the Board of Directors may terminate the membership of any Member for acts or conduct prejudicial to this Corporation. Such acts include, without limitation, being convicted of animal cruelty, neglect or abandonment by a court of law or other appropriate governmental authority.

7. Membership Years; Payment of Dues. The first membership year for Annual Members shall commence on November 15, 2002 and end on December 31, 2003. Thereafter the membership year for Annual Members shall be the calendar year. Annual Members' dues for the first membership year shall be payable at the time such Members are admitted to membership, and dues for subsequent years shall be payable on the first business day of January in the membership year. . Any Annual Member whose dues shall remain unpaid for three months after becoming due shall ipso facto cease to be a Member, unless continued in or restored to membership by the Board of Directors. Life Members shall not be subject to the payment of any dues or other amount beyond the original fee set forth in Section 2 of this Article I.

8. Meetings of the Members. The Members may meet in person, by telephone conference call, by electronic mail, or by any other technological method that enables Members to see, hear, and discuss, or read and discuss, all business before the Members. Meetings in person shall be held at the offices of the Corporation or at such other place within or without the State of New York as is determined by the Board of Directors. The annual meeting of the Members (the "Annual Meeting") for the election of Directors and for the transaction of such other business assigned to the Members under these by-laws shall be held in the month of December, at such place within or without the State of New York, time and date as are fixed by the Board of Directors. The first Annual Meeting shall be held in December 2003. Special Meetings of the Members shall be held whenever called by resolution of the Board of Directors, by the Chairman, or by a written demand to the Secretary made by Members representing at least 10% of all Members eligible to vote. The annual report of directors required by Section 519 of the Not-For-Profit Corporation Law shall be presented to the Members at the Annual Meeting, provided, however, that if the Board deems it advisable, such annual report may be presented instead at a Special Meeting to be held within 30 days of the date in which the Corporation shall have filed its Form 990EZ or Form 990 report with the Internal

Revenue Service and the New York Attorney General's Charities Bureau, and the Board may cause to be distributed to the Members concurrent or in advance of such meeting copies of such report by electronic transmission or by posting the report to the Corporation's website.

9. Honorary Members. Honorary Members shall be nominated by the Board or by at least 5 Members in good standing and shall be elected at the Annual Meeting by the affirmative vote of a majority of the Members present in person or by proxy at such meeting, voting together as one class, a quorum being present at such time. No more than 10 Honorary Members may be elected per year. If more than 10 nominees receive the required number of votes cast, the 10 nominees with the largest number of votes received shall be elected. An Honorary membership is intended to recognize individuals who have made significant contributions to advance the Corporation's activities, purposes and goals, including without limitation, by fostering, transporting, pulling dogs from shelters, doing home inspections, volunteering in the various committees of the Corporation, performing administrative tasks, serving as an officer, etc.

10. Notice of Meetings. Written notice of the place, date and hour of any meeting shall be given to each Member entitled to vote at such meeting by electronic transmission to the email address shown for that Member in the records of the Corporation no less than ten (10) nor more than fifty (50) days before the date of the meeting. Notice of Special Meetings shall indicate the purpose for which they are called and the person or persons calling the meeting. The Corporation also shall post notices of all meetings of the Members on its website. Notice need not be given to any Member who submits by electronic transmission or otherwise a signed waiver of notice, either before or after the meeting. In addition, the attendance of any Member at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by such Member.

11. Quorum and Action by Members. At all meetings of the Members, the lesser of (i) 10% of the Members entitled to vote or (ii) 100 Members, present in person or by proxy, shall constitute a quorum for the transaction of business. In the absence of a quorum, a majority of the Members present in person or by proxy may adjourn the meeting to another time and place. Except as otherwise provided by the Not-For-Profit Corporation Law and except as otherwise provided in these by-laws, the act of the Members shall be the act, at a meeting duly assembled, by vote of a majority of the Members present at the time of the vote, a quorum being present at such time.

12. Organization. The Chairman shall preside at all meetings of the Members or, in the absence of the Chairman, an acting chairman shall be chosen by the Members present. The Secretary shall act as secretary at all meetings of the Members, or in the absence of the Secretary, the presiding officer may appoint any person to act as secretary of the meeting.

ARTICLE II

Board of Directors

1. Functions and Definitions. The Corporation shall be managed by a governing board, which is herein referred to as the “Board of Directors,” “Board” or “directors”. The use of the phrase “entire Board” herein refers to the total number of directors which the corporation would have if there were no vacancies.

2. Qualifications. Each director shall be at least 18 years of age. A director need not be a citizen of the United States or a resident of the State of New York. No person whom shall have been convicted of animal cruelty, neglect or abandonment by a court of law or other appropriate governmental authority may be a director.

3. Election, Term of Office, Classification.

(a) Prior to the first Annual Meeting, the Board of Directors shall consist of the three (3) persons named as the initial directors in the Certificate of Incorporation. Such directors shall be designated as the class of 2004. Following the first Annual Meeting, the Board of Directors shall consist of no less than seven (7) directors and unless the number of directors is increased as provided in clause (f) of this Section 3, no more than nine (9) directors. Six of the directors shall be classified into two (2) classes of three (3) directors each and elected by the Members as provided in clause (b) of this Section 3; one director who shall not be so classified shall be elected by the Corporation’s foster homes (“Foster Homes”) as provided in clause (c) of this Section 3; and two directors who shall not be so classified shall be elected, if at all, by the Board in its sole discretion, as specified in clause (d) of this Section 3.

(b) The initial two classes of the Board shall consist of the class of 2004 and the class of 2005. The class of 2005 shall be elected by the Members, voting together as one class, by a plurality of the votes cast at the first Annual Meeting to be held in December 2003. Thereafter, all directors shall be elected by the Members, voting together as one class, by a plurality of the votes cast at the Annual Meetings to be held in December, with the date of the meeting to be determined by the Board of Directors. All directors in a class, including the initial directors, shall serve for terms of two years or until their successors have been elected and qualified.

(c) The seventh director shall serve for a term of one year and shall be elected immediately after the Annual Meeting by plurality vote of the individuals who have been Foster Homes at any time during the 12 month period preceding the election. Foster Homes who shall have fostered less than 5 dogs during the 12 months period preceding the election shall be entitled to cast 1 vote, while Foster Homes who shall have fostered 5 dogs or more during such period shall be entitled to cast 2 votes. Foster Homes may vote in person or by proxy.

(d) Following the Annual Meeting to be held in December 2006, the Board of Directors, in its sole discretion, may (but shall not be required to) elect 1 or 2 additional directors to serve for 1 year terms.

(e) Nothing in these by-laws is intended to prevent the reelection of a director. Candidates for director shall have their name included in the ballot or proxy that is sent to the Members and/or to the Foster Homes, as applicable, if at least one of the following conditions is met: (i) the candidate is an incumbent director who has informed the Chairman, Secretary, or the Board as a whole that he/she wishes to run for reelection; (ii) the candidate has been nominated to run for the position of director by a majority of the entire Board; or (iii) the candidate has been nominated to run for the position of director by at least 5 Members (if running for a classified board position) or by at least 5 Foster Homes (if running for the foster-home elected position) eligible to vote at such election, with self-nominations counting as one of the 5 required nominations.

(f) The number of directors may be increased or decreased by action of the Board of Directors but may not be less than three (3) directors; provided, however, that any action of the Board of Directors to effect a decrease in the number of directors shall be subject to ratification by a majority of the membership then eligible to vote before becoming effective, and any action of the Board of Directors to effect an increase in the number of directors shall require the approval of a majority of the entire Board. No decrease in the number of directors shall shorten the term of any incumbent director.

(g) In the interim between Annual Meetings of the Members or Special Meetings of the Members called for the election of directors, newly created directorships and any vacancies in the Board of Directors, including vacancies resulting from the death, resignation, or removal for cause of a director, may be filled by the vote of the remaining directors then in office, although less than a quorum.

#### 4. Meetings.

(a) Time. The Board shall hold its annual meeting as soon after the Annual Meeting as the directors may conveniently assemble. Additional meetings of the Board may be held at such time as the Board shall fix.

(b) Place. Meetings shall be held at such place within or without the State of New York as shall be fixed by the Board. Meetings of the Board may be held in person, by telephone conference call, by electronic transmission, or by any other technological method that enables Board members to see, hear, and discuss, or read and discuss, all business before the Board.

(c) Call. No call shall be required for regular meetings for which the time and place have been fixed. Special meetings may be called by or at the direction of any director or by any officer entitled to call a special meeting of the Board under the circumstances set forth in Article III.

(d) Notice or Actual or Constructive Waiver. No notice shall be required for regular meetings for which the time and place have been fixed. Written, oral or any other mode of notice of the time and place shall be given for special meetings in sufficient time for the convenient assembly of the directors thereat unless the lapse of such time has been waived. The notice of any meeting need not specify the purpose of the meeting. Any requirements of furnishing a notice may be waived by any director by signing a waiver of notice before or after the meeting, or by attending the meeting without protesting, prior thereto or at its commencement, the lack of notice to such director. A waiver sent by electronic transmission shall be valid for these purposes.

(e) Quorum and Action. Except as hereinafter provided, a majority of the entire Board shall constitute a quorum. A majority of the directors present, whether or not a quorum is present, may adjourn a meeting to another time and place. Except as otherwise provided by the Not-For-Profit Corporation Law and except as herein otherwise provided, the act of the Board shall be the act, at a meeting duly assembled, by vote of a majority of the directors present at the time of the vote, a quorum being present at such time.

(f) Participation in Meetings by Telephonic Conference and Similar Media. Any one or more members of the Board or any committee thereof may participate in a meeting of the Board or committee by means of a telephonic conference or similar communications equipment or media, or by any other technological method that enables Board members to see, hear, and discuss, or read and discuss, all business before the Board. Participation by such means shall constitute presence in person at a meeting.

(g) Chairman and Secretary of the Meeting. Meetings of the Board shall be presided over by the Chairman of the Board, or in the Chairman's absence, by a chairman to be chosen by the Board. The Secretary shall act as secretary of each meeting of the Board. In the absence of the Secretary, the Chairman shall appoint a secretary of the meeting.

5. Committees. The Board of Directors, by resolution adopted by a majority of the entire Board, may designate from their number three or more directors to constitute an Executive Committee and other standing committees, each of which, to the extent provided in the resolution designating it, shall have the authority of the Board of Directors with the exception of any authority the delegation of which is prohibited by Section 712 of the Not-For-Profit Corporation Law. Additionally, the Board of Directors may provide for special committees of the Board, which shall have such powers as the Board may lawfully delegate. Members of such special committees may be appointed by the Board, or by the Chairman of the Board when so authorized by the Board. The Board also may provide for committees of the Corporation, which committees shall be appointed or elected by the Board or by one or more officers designated by the Board. Such committees shall have the power to recommend action to the Board but shall not have the power to take any corporate action.

6. Removal of Directors. Any or all of the directors may be removed for cause by the Board of Directors provided there is a quorum of not less than a majority of the entire Board present at the meeting at which such action is taken. For these purposes, "cause" shall mean one or more of the following: (a) the breach of a director's fiduciary duties to the Corporation, (b) unexcused (by the Board) failure to attend more than one third of all regular meetings of the Board scheduled in any one calendar quarter; (c) the conviction of a director of animal cruelty, neglect or abandonment by a court of law or other appropriate governmental authority, (d) continued abusive or disruptive behavior by the director at such meetings. Disagreeing with other directors and/or voicing his/her opinion(s) if done in a respectful, non-abusive manner, shall not be cause for the removal of a director under these bylaws.

7. Resignations. Any director may resign at any time by giving written notice to the Chairman, the Secretary, or the Board of Directors. The resignation shall take effect at the time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8. Action Without a Meeting. Any action required or permitted to be taken by the Board of Directors or by any committee thereof may be taken without a meeting if all members of the Board of Directors or of any such committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the Board of Directors or of any such committee shall be filed with the minutes of the proceedings of the Board of Directors or of any such committee. Consents may be granted by any legally permissible means, including by electronic transmission. A consent transmitted by electronic transmission from the email address shown for a Director on the records of the Corporation shall be deemed to be written and signed by that Director.

9. Actions Requiring Board Approval. In addition to any other actions which require Board approval under the Not-For-Profit Corporation Law and Article III of these by-laws, the following actions shall require prior Board approval: (a) the approval of all applications to adopt a Cairn in the Corporation's rescue program; (b) accepting an aggressive Cairn into the Corporation's rescue program; (c) euthanizing any Cairn in the Corporation's rescue program; (d) recommending the euthanization of any Cairn which the Corporation has adopted to an applicant in the past; and (e) adopting additional adoptive home criteria for the Corporation's rescue Cairns or rejecting one or more of the Corporation's adoptive home criteria then in effect. Notwithstanding the foregoing item (e), waivers with respect to the application of such adoptive home criteria to a particular applicant or applicants shall only require the approval of the Placement Director for the applicant's region.

10. Additional Rules. The Board may adopt such additional rules and regulations as it may deem wise and advisable for the government of the Board and the conduct of its business.

ARTICLE III

Officers

1. Election, Term of Office and Functions. (a) The initial officers shall include a Chairman, a President, a Chief Financial Officer and a Secretary. Thereafter, the directors may elect or appoint such other officers and assistant officers as they may determine, including, without limitation the following Vice Presidents: Fundraising, Legal Affairs, Data Management, Transport, Reference Checks, Communications, Marketing, Home Visits, Website Content, Memberships, Volunteers, and Post-Adoption. Any person may hold more than one office, provided, however, that the offices of President and Secretary may not be held by the same person. The Board may delegate its authority to appoint officers to the President, provided that the authority to appoint the Chairman, President, Chief Financial Officer, and Secretary, may not be so delegated.

(b) Unless otherwise provided in the resolution of election or appointment, each officer shall hold office until the next annual election of officers and until such officer's successor has been elected and qualified (or appointed and qualified) or until such officer's death, resignation or removal.

(c) The officers of the Corporation shall each have such powers and duties as are set forth herein and as generally pertain to their respective offices and in addition shall have such powers and duties as may be conferred upon them or prescribed from time to time by the directors. Any officer other than the Chairman may delegate any one or more of such duties to volunteers working under his/her supervision. Volunteers may but need not be, Members of the Corporation.

2. Chairman. The Chairman of the Board shall be a member of the Board of Directors, and shall preside over all meetings of the Board and of the Members. The Chairman shall be elected by majority vote of the entire Board.

3. President; Chief Executive Officer. The President shall be the chief executive officer of the Corporation and have general management responsibility over, and supervision of, the day to day business and affairs of the Corporation. The President may sign, on behalf of the Corporation, contracts and other instruments in the ordinary course of business, provided that contracts committing the Corporation to make payments in excess of \$2,500 or to incur any other liability in excess of \$2,500, shall require prior Board approval.

4. Secretary. The Secretary shall attend all meetings of the Board of Directors and of the Members, and record all the proceedings of such meetings in a book to be kept for that purpose; shall give or cause to be given notice of all special meetings of the Board of Directors and of the Members; shall have custody of the corporate seal of the corporation, if any, with authority to affix the same to any instrument or document requiring it, and, when so affixed, it may be attested by her



signature; and when so required, shall certify, on behalf of the Corporation, resolutions, authorizations, and other actions taken by the Board, and the incumbency of the officers of the Corporation authorized by the Board or these bylaws to execute contracts and instruments. The Secretary may, but need not be, a director. The Secretary may appoint one or more Assistant Secretaries to assist her in the performance of these duties, provided that such appointment shall require ratification by a majority of the Board to become effective.

5. Chief Financial Officer. The Chief Financial Officer shall have general supervision over the care and custody of the funds and securities of the Corporation, shall keep or cause to be kept full and accurate accounts of all receipts and disbursements of the Corporation, shall deposit or cause to be deposited all funds and securities of the Corporation in the name and to the credit of the Corporation in such depositories as may be designated by the directors, shall disburse the funds of the Corporation as may be ordered by the Board of Directors and shall present periodic financial statements to the Board of Directors no less than every fiscal quarter. The Chief Financial Officer may sign, on behalf of the Corporation, contracts and other instruments in the ordinary course of business, provided that contracts committing the Corporation to make payments in excess of \$2,500 or to incur any other liability in excess of \$2,500, shall require prior Board approval. The Chief Financial Officer may appoint a Treasurer and/or one or more Assistant Treasurers to assist him/her in the performance of his/her duties.

6. Chief Operating Officer. The Chief Operating Officer shall supervise and have general responsibility for the day to day operations of the Corporation, and shall report to the President. The Chief Operating Officer may sign, on behalf of the Corporation, contracts and other instruments in the ordinary course of business, provided that contracts committing the Corporation to make payments in excess of \$2,500 or to incur any other liability in excess of \$2,500, shall require prior Board approval.

7. Vice President, Fundraising. The VP of Fundraising shall be responsible for launching and supervising all fundraisers. The VP of Fundraising shall report to the Chief Financial Officer and to the President. The VP of Fundraising may sign, on behalf of the Corporation, contracts and other instruments in the ordinary course of business, provided that contracts committing the Corporation to make payments in excess of \$2,500 or to incur any other liability in excess of \$2,500, shall require prior Board approval. The VP of Fundraising may recruit assistants and other volunteers working under her supervision to help her perform these duties and expand the Corporation's funding sources.

8. Vice President, Legal Affairs. The VP of Legal Affairs shall have general management responsibility and supervision over all contracts used by the Corporation and shall prepare all reports required of the Corporation by applicable law in collaboration with the Chief Financial Officer, and file such reports with the appropriate authorities. The VP of Legal Affairs shall also coordinate the Annual Meeting and

elections in conjunction with the VP of Memberships and the Regional Foster Home Directors.

9. Vice President, Data Management. The VP of Data Management shall keep or cause to be kept electronic databases of the Corporation's rescue dogs, Members, Foster Homes, other volunteers, and adoptive homes and such other electronic records as may be requested by the Board of Directors from time to time. The VP of Data Management may recruit assistants and other volunteers working under her supervision to help her perform these duties.

10. Vice President, Transport. The VP of Transport shall be responsible for arranging appropriate transport for the Cairns in the Corporation's rescue program.

11. Vice President, Reference Checks. The VP of Reference Checks shall be responsible for contacting the references listed by applicants in their Adoption Applications and Foster Home Applications and submitting the results of such calls to the Placement Directors or to the Director of Foster Homes that shall have requested them, as appropriate. The VP of Reference Checks may delegate such duties to one or more volunteers (reference checkers) working under her supervision.

12. Vice President, Communications. The VP of Communications shall be responsible for answering general inquiries from the public and shall assist the Placement Directors in communicating with applicants. The VP of Communications may recruit, train and supervise communications coordinators to assist her in the performance of these duties.

13. Vice President, Marketing. The VP of Marketing shall be responsible for preparing marketing materials to promote the Corporation and its rescue Cairns, as requested by the Board of Directors or by the President, for preparing and publishing the Corporation's newsletter, and for preparing and publishing the Corporation's annual report. The VP of Marketing may recruit assistants and other volunteers working under her supervision to help her perform these duties.

14. Vice President, Home Visits. The VP of Home Visits shall be responsible for arranging a visit by a representative of the Corporation (who may be a volunteer working under her direction) of the home of applicants whose reference checks are satisfactory and of potential Foster Homes, preparing a short summary of the results of such visit and submitting the same to the Placement Director for the applicant's region or to the Director of Foster Homes that requested it, as applicable. The VP of Home Visits may also recruit, train and supervise volunteers to serve as home visit coordinators to assist her in the performance of these duties.

15. Vice President, Website Content. The VP of Website Content shall be responsible for managing and updating the Corporation's website and updating the list of available dogs at least weekly.

16. Vice President, Memberships. The VP of Memberships shall engage in the recruitment of new Members as directed by the Board of Directors from time to time; shall provide all necessary data to the Secretary and VP of Data Management to ensure that the lists of Members kept by them remain accurate at all times; shall be responsible for issuing (or causing to be issued) membership cards to the Members and also certificates of recognition to newly elected Honorary Members; and shall in conjunction with the VP of Legal Affairs, coordinate the Corporation's Annual Meeting and elections by the Members. . The VP of Memberships may recruit, train and supervise one or more assistants to help her perform these duties.

17. Vice President, Volunteers. The VP of Volunteers shall (i) engage in the recruitment of new volunteers; (ii) identify and highlight for the other officers any unique talents and experience that such volunteers bring which may be of use to the Corporation; (iii) coordinate with the other officers to determine the Corporation's current staffing needs and prepare volunteer job descriptions to fill those needs; (iv) promptly welcome each volunteer and provide him/her with a list of available volunteer opportunities; (v) find each volunteer a job to perform that fills one or more of the staffing needs so identified by the officers and for which such volunteer is so qualified; (vi) provide all necessary data to the VP of Data Management to ensure that the list of volunteers kept by such officer remains accurate at all times; and (vii) issue (or cause to be issued) business cards to the Corporation's volunteers, showing the person's name, title (which may be rescue representative), email address and phone number where such volunteer may be contacted. The VP of Volunteers may recruit, train and supervise one or more assistants to help her perform these duties.

18. Vice President, Post-Adoption. The VP of Post-Adoption shall be responsible for contacting the adoptive homes of the Corporation's dogs to facilitate a smooth transition and adjustment of the rescue Cairn into its new home, provide assistance and advice to such adoptive homes in a timely manner to address problems commonly presented by rescue Cairns in their new environments, and foster the continued communication between the Corporation and such adoptive homes. The VP of Post-Adoption shall also oversee the compliance by the adoptive homes with any special conditions of adoptions, such as the spay/neuter of dogs adopted as puppies, special veterinary care, completion of an obedience course, etc. The VP of Post-Adoption shall be designated as the official contact point for adoptive homes to contact if any issues arise with the rescue dog in the future. The VP of Post-Adoption may recruit, train and supervise assistants, post-adoption coordinators and other volunteers to help her perform these duties.

19. Vice President, Vetting. The VP of Vetting shall be responsible for setting up the accounts at the animal hospitals and other facilities which are to provide the veterinary care required by the Corporation's Cairns, for negotiating rescue discounts with such hospitals and facilities, and for authorizing veterinary care for the Corporation's Cairns, provided that veterinary care in amounts exceeding \$1,000 for any one Cairn shall require the prior approval of the Chief Financial Officer. The VP of

Vetting may recruit, train and supervise one or more assistants to help her perform these duties.

20. Co-Managers of Intakes.

(a) There shall be two (2) Co-Managers of Intakes who shall each be responsible for performing or causing to be performed the functions and duties set forth in this Section 20 in the contiguous states of the US for which she is responsible. The states for which each Co-Manager is responsible shall be determined by mutual agreement of the Co-Managers and the President. Additional Co-Managers may be appointed by the President or by the Board based on the then current needs of the Corporation.

(b) Each Co-Manager shall be responsible for contacting in the states for which she is responsible: shelters and similar animal care facilities, owners (in the case of owner surrenders), and other appropriate third parties, to gather all appropriate and necessary information to be able to determine if a dog in need of rescue is in fact a purebred Cairn Terrier or a mostly-Cairn mix eligible for the Corporation's rescue program and obtain as much background information as possible on such dogs, including copies of their veterinary records if available. The Co-Managers shall also review (or caused to be reviewed) Petfinder.com, other online shelter listings, and similar online lists where Cairns in need of rescue may be found, to identify potential intakes. The Co-Managers may recruit, train and supervise shelter scanners, shelter callers and other assistants to help them perform these duties.

(c) Subject to the availability of Foster Homes, or in the case of shelter dogs and other emergency intakes, to the reasonable likelihood that a Foster Home will be available within 8 days of the dog's intake, and except as provided in this paragraph, each Co-Manager shall have full authority and discretion to accept into the Corporation's rescue program any Cairn that (i) is either a purebred Cairn Terrier or which has been determined to be a mostly-Cairn mix and (ii) is located in one of her designated states. If it is not clear that a particular dog meets the Corporation's mostly-Cairn mix criteria, the Co-Managers shall vote to make that determination and in the event of a tie, the President shall cast the tie-breaking vote. In addition, (x) the intake of dogs which are known to have bitten a human being, or to have a terminal illness which in the opinion of a licensed veterinarian will cause such dog to die within 12 months or suffer, or which have diabetes, epilepsy, congestive heart failure, cancer or a contagious disease such as ringworm or mange, shall require the prior approval of the Board, and (y) the intake of dogs which have tested positive for heartworm, or which have any health condition other than those enumerated in clause (x) requiring veterinary care in excess of the Threshold, shall require the prior approval of the Chief Financial Officer. In determining whether or not the treatment of a dog's condition is reasonably likely to exceed the Threshold, the costs for spaying/neutering the dog, inoculations, heartworm and fecal tests, and a routine examination shall not be taken into account, and the Co-Manager of Intakes for the state in which the dog is located shall attempt to obtain an estimate from a licensed veterinarian practicing in the locality where the dog is

reasonably likely to be fostered and treated. The “Threshold” for these purposes shall initially be \$500 but may be changed from time to time by resolution of the Board of Directors.

(d) The determination of whether a Foster Home is available or is reasonably likely to be available within 10 days of the dog’s intake as contemplated in paragraph (b) above, shall be made jointly by the Co-Manager of Intakes for the state in which the dog is located and the Director of Foster Homes for the state in which the dog will be fostered.

21. Directors of Foster Homes.

(a) There shall be four (4) or more Directors of Foster Homes and each shall be responsible for performing or causing to be performed the functions and duties set forth in this Section 21 in the contiguous states of the US for which such director shall be responsible. Such states shall be determined by mutual agreement of the Directors of Foster Homes and the President.

(b) Each Director of Foster Homes shall be responsible for recruiting, and shall have full discretion and authority to approve, Foster Homes to harbor, care for and rehabilitate the Cairns in the Corporation’s rescue program in the states for which he/she is responsible.

(c) Each Director shall also be responsible for (i) coordinating the veterinary care required by the Corporation’s Cairns located in the states assigned to him/her, in consultation with the Chief Financial Officer, the dogs’ respective Foster Homes, and in the case of new Intakes, the Co-Manager of Intakes or other Intakes representative who handled such intake; (ii) assigning a foster home buddy or mentor to each foster home in his/her area; (iii) providing all necessary data to the VP of Data Management to ensure that the lists of foster homes and dogs being fostered by each which are maintain by the VP of Data Management or her designee remain accurate at all times; (iv) collecting write-ups of the Corporation’s available Cairns in his/her assigned states from their Foster Homes for the purpose of listing such Cairns on the Cairn Rescue USA website and Petfinder.com; (v) obtaining regular updates and photos of such Cairns from their Foster Homes; (vi) monitoring the submission of foster home reports by the Foster Homes in his/her assigned states; and (vii) providing (or causing to be provided) to each Foster Home in his/her assigned states a copy of the Corporation’s Foster Home Companion guide and Foster Home Agreement (or Foster-To-Adopt Agreement if the dog is being fostered pursuant to the Corporation’s Foster-To-Adopt program). Any Director of Foster Homes may delegate any of these duties to one or more assistants working under his/her supervision.

(d) In addition, the Directors of Foster Homes shall designate a representative from their own ranks to assist the VP of Legal Affairs, or in her absence, the President, to coordinate the annual election of the Foster Home elected director.

22. Placement Directors.

(a) The Corporation's rescue dogs and applicants shall be divided into geographical regions for purposes of listing such rescue dogs and matching them to applicants, and each region shall have a Placement Director. The Placement Directors shall be appointed by the Board. There shall be four (4) regions initially: Northeast, Southeast, Midwest, and West. Additional regions may be added, and existing regions may be combined by resolution of the Board. States which do not clearly fall into one of these regions shall be assigned to a region by the President.

(b) Each Placement Director shall be responsible for: (i) reviewing the applications received from applicants in her region and for rescue dogs in her region; (ii) communicating with the Foster Homes in her region and soliciting their feedback on applications received; (iii) rejecting any incomplete application in her region, and any application in her region which on its face fails to meet the Corporation's adoptive home criteria, or which fails the reference check, home visit or foster home impression; (iv) matching the rescue dogs in her region to applicants; (v) notifying the Foster Homes in her region when their foster dog has been matched to an applicant and keeping them appraised of the progress being made; (vi) communicating with the applicants in her region and advising them when the dog they have requested is no longer available or is not in the Corporation's rescue program, and inquiring if the applicants will consider a different dog that may be a suitable match for them; (vii) putting applicants who have had a successful home visit in contact with the Foster Home that has the dog they want to adopt and obtaining the foster home impression; (viii) submitting potential adoptions in her region to the Board for approval or rejection; and (ix) advising applicants and the dogs' Foster Homes of the Board's decision. Placement Directors may also make non-binding suggestions for matches to the other Placement Directors. The Placement Directors may seek the assistance of the VP of Communications (and if applicable, the communications coordinators) in carrying out the duties set forth in this paragraph (b).

23. Removal. The Board of Directors may remove any officer, for cause or without cause, at any time but such removal shall require the affirmative vote of a majority of the entire Board.

24. Resignations. Any officer may resign at any time by giving written notice to the Chairman, the President, the Secretary, or the Board of Directors. The resignation shall take effect at the time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

25. Vacancies. A vacancy in any office arising from any cause shall be filled for the unexpired portion of the term in the manner prescribed in these By-laws for the election of officers.

ARTICLE IV

Books and Records

The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of the Board of Directors and/or any committee which the directors may appoint, and a list or record containing the names and addresses of all directors. Any of the foregoing books, minutes, or lists or records may be in written form or in any other form capable of being converted into written form within a reasonable time.

ARTICLE V

Corporate Seal

The corporate seal, if any, shall be in such form as the Board of Directors shall prescribe.

ARTICLE VI

Fiscal Year

The fiscal year of the Corporation shall be fixed and shall be subject to change by resolution of the Board of Directors. Unless otherwise fixed by the Board of Directors, the fiscal year of the Corporation shall end on December 31 of each year.

ARTICLE VII

Indemnification and Insurance

1. Except as otherwise directed by the Board of Directors, any director or officer made a party to an action or proceeding, whether civil or criminal, by reason of the fact that he is or was a director or officer of the corporation shall be indemnified by the Corporation to the full extent permitted by law.

2. The Corporation shall obtain such insurance as the Board of Directors shall from time to time determine to protect the Corporation against losses caused by the fraudulent or dishonest acts of any director, officer or employee, to reimburse the Corporation for any obligation incurred pursuant to the first paragraph of this Article, and to indemnify directors and officers under circumstances permitted by law.

ARTICLE VIII

Amendments

The Board of Directors, by vote of the majority of the directors present at a meeting duly assembled, a quorum being present at the time of such vote, may amend or repeal the By-laws and may adopt new By-laws, provided, however, that no amendment which adversely affects or diminishes the rights granted to the Members in these By-laws may be effected without the affirmative approval of a majority of the Members entitled to vote.