

**BYLAWS OF THE
ANIMAL CARE TRUST
(ACT)**

ARTICLE I

Name of the Corporation

The name of the corporation will be The Animal Care Trust (henceforth, known as "ACT"). ACT is incorporated under the laws of the State of Tennessee and does business as the McKamey Animal Center ("MAC" or the "Center" herein).

ARTICLE II

Fulfilling the Mission of ACT

In order to fulfill its mission, "Saving Animals. Helping People.", ACT will:

1. In order to fulfill our 501C status, receive gifts, contributions and grants of money or property from individuals, private organizations, public sources and any agency of the City of Chattanooga, State of Tennessee, the United States of America or any other governmental agency, and to apply, pay over or disburse those gifts, contributions and grants or their proceeds for the benefit of the Center and, therefore, the City and communities served.

ARTICLE III

Board of Directors

Section 1. Board of Directors -- ACT will be solely composed of a Board of Directors (hereinafter referred to as the "Board"). Each member of the Board will be designated as a "Director" and be duly elected by the Board with a **majority vote (51%) of Directors attending any regular or special meeting** of the Board, provided there is a quorum present. The Executive Director of MAC will be an ex-officio, non-voting member of the Board.

Section 2. Number -- The number of Directors, which will constitute the Board, may be changed by the vote of a **majority (51%) of the Board Directors present at any regular or special meeting of the Board**, without a Bylaws revision. The Board will consist of at least five (5) Directors and up to a maximum of twenty-five (25) Directors.

Section 3. Compensation -- The Directors will not be entitled to receive compensation. The Directors will be entitled to receive reimbursement for reasonable travel costs and expenses incurred in attending out-of-town regular or special meetings of the Board or workshop/seminar attendance (including fees for workshop/seminars), as authorized by the Board in advance.

Section 4. Term of Office, Directors --

1. Regardless of a Director's election date, annual Board terms for Directors begin in January following their election date and run in calendar year cycles. New Directors become Board members immediately upon their election by the Board.
2. Directors elected to office shall serve an initial 3 year term and may be re-elected by the Board for a second 3 year term but may serve no more than two consecutive terms as a Director. Following the second term, the Director is required to take a minimum continuous break in service for one year unless elected to the office of Chair or Vice-Chair.

A Director may resign at any time by sending written notice to the Board Chair, Board Secretary, or to the entire Board.

Section 5. Vacancies – Director's vacancies and newly created Director positions may be filled by the nominating process and a **majority vote (51%) of the Directors attending any regular or special meeting of the Board**. If one or more of the Directors give notice of resignation effective as of a future date, the Board may fill such vacancy or vacancies to take effect when such resignation or resignations will become effective. If a Director is nominated and elected to fill a vacancy prior to the Annual November meeting, see Section 4 above.

Section 6. Duties and Powers -- Except as otherwise provided by TN statute, the Charter or these Bylaws, all the powers of ACT will be vested in and exercised by the Board of Directors. The Board will have governance responsibility over the affairs, funds and property of ACT/MAC. To the extent other sections of these Bylaws allow, the Board's powers will include, but are not necessarily limited to, the authority to hire or terminate an Executive Director and to establish reasonable compensation for the Executive Director of ACT/McKamey Animal Center. The Board may contract for services or products, to lease or purchase real property of ACT or sell, mortgage or lease the real property of ACT; provided, however, that a sale, lease, exchange or other disposition of property which is the equivalent of all, or substantially all, of the assets of ACT must be authorized in accordance with any applicable statute. The Board may also conduct and participate in fundraising activities for the benefit of MAC. To the extent allowed by these Bylaws, the Board may delegate authority to the Executive Director.

Section 7. Removal -- Any Director may be removed with or without cause by **2/3 vote of the Directors of the Board**. Any Director proposed to be removed by the recommendation of the Executive Committee will be entitled to notice by email and registered letter sent by the Board Secretary or any Board Officer at least seven (7) days prior to such Board meeting. Said Director may appear before and be heard at such Board meeting if they so desire. The Director in question will alternatively be given the option to resign and may notify the Board Chair or the Executive Committee of this decision prior to this meeting. All Directors will be copied on the email notice that is sent to the Director in question seven (7) days prior to the Board meeting.

Section 8 -- Meetings of the Board and Notice. All meetings of the Board including committee meetings may be held, at such time and place as will be deemed necessary to effectively conduct the business of ACT. These meetings (and cancellations thereof) will be posted on the MAC Web Page and on the main entrance doors to the Center as to give reasonable notice to the public (amount of notice dependent on the exigency of the meeting). Electronic notice and agenda will be sent to all Board members prior to each regular Board meeting. The Board's regular meeting schedule for the following year will be announced at the November Annual meeting. Special Meetings may be called by the Chair of the Board or by written request to the Board of two (2) Directors with five (5) days notice via email to each Director whenever practical (depending on the urgency of the meeting). All Special meeting notices will specify the issues to be considered during this meeting.

The annual meeting of the Board will be held during the month of November in each year for the purpose of electing officers, voting on additional terms for Directors completing a 3-year term, setting the time, date and place of the following year's regular and annual meetings, and transacting such other business as may properly be brought before such meeting.

ACT will at all times conduct itself and otherwise abide by all of the provisions and requirements of T.C.A. § 48-51-101 - § 48-51-701 and the Tennessee Open Meetings Act including, without limitation, the Open Meetings Act's provisions governing public notice of Board and committee meetings and the recordation of, and public access to, minutes of the Board and committee meetings. Regular or Special Board Meeting minutes will be submitted to the Board for approval at the next scheduled regular Board meeting and then placed in the Board Meetings Minutes Book located at the McKamey Animal Center.

Section 9. Quorum and Manner of Acting -- Except as otherwise provided by applicable law or elsewhere in these Bylaws, attendance of a **majority (51%) of the Directors attending any regular or special meeting** of the Board will constitute a quorum for voting purposes. If a quorum is not present at any meeting, no voting may take place and the meeting may be adjourned.

ARTICLE IV

Officers of the Board

Section 1. Officers -- The officers of the Board will generally consist of the Chair, Vice Chair, Secretary and Treasurer, and such other officers with such powers and duties consistent with these bylaws as may be determined necessary by the Board. Below is a brief description of each officer's duties; these duties are not all inclusive and the Board may change or assign other duties or authority to any officer as deemed necessary without amending these Bylaws.

1. **The Chair** of the Board will have specific responsibility for the implementation of all resolutions of the Board and will attend and conduct all meetings of the Board and of the Executive Committee of the Board unless the Board will direct otherwise. The Chair will be an ex-officio member of all standing committees but will not chair any standing committees. The Chair may execute, when authorized by a Board resolution, such bonds, mortgages and other contracts and legal documents, except where required by statute or these bylaws to be otherwise signed and executed.
2. **The Vice Chair** of the Board will perform the duties of the Chair of the Board in their absence, and will serve on the Executive Committee and may agree to serve on any other standing committee. The Vice Chair may execute, when authorized by a Board resolution, such bonds, mortgages and other contracts and legal documents, except where required by statute or these bylaws to be otherwise signed and executed. May conduct meetings of the Board or of the Executive Committee in absence of the Board Chair.
3. **The Treasurer** of the Board will make regular reports to the Board on the financial state of ACT/MAC. The Treasurer will supervise the maintenance of full and accurate accounts of such receipts and disbursements in books belonging to ACT/MAC and the deposit of all monies and other valuable effects in the name and to the credit of ACT/MAC in such depositories as will be approved by the Board. The Treasurer may execute, when authorized by a Board resolution, such bonds, mortgages and other contracts and legal documents, except where required by statute or these bylaws to be otherwise signed and executed. The Treasurer will Chair the Finance Committee, will be a member of the Executive Committee and may agree to serve on any other standing committee. May conduct meetings of the Board or of the Executive Committee in absence of the Board Chair.
4. **The Secretary** of the Board will attend all meetings of the Board and supervise the recording of the minutes of the proceedings of the meetings of ACT and will oversee the maintenance of the Minutes books retained at MAC. The Secretary will give notice of all meetings of the Board and Committees and will perform such other duties as may be assigned by the Board or the Chair of ACT. The Secretary may execute, when authorized by a Board resolution, such bonds, mortgages and other contracts and legal documents, except where required by statute or these bylaws to be otherwise signed and executed. The Secretary will be a member of the Executive Committee

and may agree to serve on any other standing committee. May conduct meetings of the Board or of the Executive Committee in absence of the Board Chair.

Section 2. Election of Officers and Terms of Office -- Election of officers of the Board will be held at the Annual Meeting in November. The Governance Committee will present a slate of Officers at the Annual November Board Meeting. Discussion of candidates and nominations from the floor will also be accepted at the annual meeting. Each nominee for office will have agreed to the nomination for said office. Election of officers of the Board will be by **majority vote (51%) of the Directors attending the annual November Board Meeting**, provided there is a quorum present.

If any officer position is contested or there is more than one candidate, a role call vote will be taken.

Officer Terms: The term of office of the Chair of the Board shall be 2 years. At the expiration of their term in office, the Chair shall become the immediate past Chair of the Executive Committee for 2 years.

The term of office of the Vice-Chair shall be 2 years. With approval of the Board, the Vice-Chair shall become the Chair of the Board after their 2 year term is completed and when the current Chair's 2 year term ends. However, if the current Chair of the Board must vacate that position for any reason prior to the end of their 2 year term, the Vice-Chair would become Chair of the Board at that time with approval of the aboard, (and a new Vice-Chair would be elected by the Board).

The term of the office of Secretary and Treasurer of the Board shall be three years with the same term limits as a Director (see Article III, Section 4). These officers will be appointed by the Chair of the Board and approved by the Board at the November Annual Board meeting.

Section 3. Vacancies -- All Officer's vacancies will be filled by the Board at its regular meeting or at a special meeting specifically called for that purpose. The Governance/Nominating Committee will propose a candidate for said office and will obtain prior acceptance of nomination from the candidate. The newly elected officer(s) will serve until the Annual November meeting at which time they may be nominated by the Governance/Nominating Committee to serve an additional 1-year term.

Section 4. Removal -- An Officer may be removed from both their office and the Board with or without cause by a **2/3 vote of the Directors of the Board**. Any Officer proposed to be removed will be entitled to notice by email and registered mail by the Board Secretary or any Board Officer at least seven 7 days prior to such meeting to appear before the Board and to be heard at such meeting if they so desire. The Officer in question will alternatively be given the option to resign and may notify the Board Chair or the Executive Committee of this decision prior to this meeting. All Board members will be copied on the email notice to the Officer in question that will be sent seven (7) days prior to the Board meeting.

An officer may voluntarily resign from their officer position prior to the end of their term but remain a Director on the Board with Board approval.

ARTICLE V Committees

The functions and duties of the committees as stated below are a summary and are not meant to be all-inclusive. Any committee may be assigned special projects or duties and/or assist other committees with the approval of the Board. Board committees can be created and/or dissolved at any time with Board approval; committee duties can also be changed by the Board. Committee changes will not require a revision of these Bylaws.

The Board or any committee may establish sub-committees or ad hoc committees to accomplish specified tasks, projects or goals. Non-Board members may be assigned to these committees and any Standing committee except for the Executive Committee.

Committees will meet as deemed necessary for the fulfillment of responsibilities. All committees will meet in January of each year to plan their annual goals and meeting schedules for the upcoming year. The decisions of the Committee, except for the Executive Committee, will be made by a **majority of its members attending the committee meeting** and will be reported to the Board for approval during regularly scheduled Board meetings. Since the Executive Committee may have to make decisions for the Board in emergency or exigent situations, a quorum of 51% of the members must be present. Minutes must be taken of all committee meetings. These minutes will be made available to the public and will be kept in the Committee Minutes Book maintained at McKamey Animal Center.

Section 1: Committee membership -- Each year the Chair of the Board will distribute a Committee sign-up sheet to all Board directors to form the active committees. The Board Chair may request reassignments to the committees to ensure each committee has an adequate number of members with the necessary knowledge and skills to serve on a committee. The Board will have the power at any time to fill vacancies, change membership, or to dissolve a committee. Committees may remain in tact from year to year with Board approval.

Committee Chairpersons will initially be selected by the Board Chair and can be changed at any time with the majority vote of committee members. The chairs of Standing Committees must be Directors of the Board.

Section 2. Executive Committee --The Executive Committee will consist of the Chair, Vice Chair, Secretary, Treasurer, Past Chair and one non-Officer Director approved by the Board. The Executive Director will be an ex-officio non-voting member of the Executive Committee.

The Executive Committee will have the authority to address ACT/MAC business and make Board decisions between Board meetings when emergency or exigent circumstances require immediate action and it is not feasible to convene the entire Board. This committee may address and investigate Board or

MAC personnel/employee relations issues and report their findings and any action taken to the Board. They will conduct an annual performance evaluation of the Executive Director at the end of each Fiscal Year and make any salary increase recommendations to the Board. This committee will be responsible for leading the search for a new Executive Director if the current Executive Director voluntarily or involuntarily vacates this position. A quorum of 51% of the members must be present in the event that the committee must make an urgent decision for the Board.

Section 3. Standing Committees -- Standing Committees of the Board may be created or dissolved at any time with Board approval without amending these Bylaws. Below are the committees active at the time of this Bylaw's revision and a brief summary of their duties:

A. Board Governance/Nominating Committee:

The Board Governance Committee will make recommendations to the Board to ensure the processes, roles and structures of the Board are effective and that the Board's Bylaws are periodically reviewed and revised as necessary. This committee will also manage the nominating and orientation process for new Board directors and Officers and ensure there are a sufficient number of directors on the Board to perform the duties of the Board. Board policies and procedures will be developed and updated as required and after approval of the Board (51%) will be maintained in the Governance Policy and Procedures file.

B. Finance Committee:

The Board Treasurer will Chair the Finance Committee. The Finance Committee will make recommendations to the Board to strengthen and protect ACT's current and future fiscal health. This Committee will review MAC budgets and financial statements and make recommendations as necessary. The MAC Executive Director, Financial Controller and/or Chief Financial Officer will be members of this committee.

C. Development Committee:

The Development Committee will help the Board carry out its due diligent function related to assuring fiscal health through philanthropy and fund development. The committee will work with the MAC Director of Development and staff to institutionalize the philanthropic process within the Board and its individual members, insuring a donor centered organization.

D. Policy and Procedures Committee:

The Policy and Procedures Committee will assist the Executive Director of MAC and/or his/her staff as requested with HR related issues and the development or revision of MAC policies and standard operating procedures.

Section 4. Special Committees:

By a majority vote of the Directors, special or ad hoc committees may be created and dissolved by the Board as required and will have only such powers as are specifically delegated by the Board. Members

of such special committees will be appointed with input from and consent of the Board; non-Board members may be assigned to these committees and may chair these committees with approval of the Board.

ARTICLE VI **Bylaws Amendments & Revisions**

The power to make, alter, revise, or repeal the Bylaws of ACT will be vested in the Board. These Bylaws may be amended or revised at any regular or special meeting of the Board by a ***2/3 vote of the Directors of the Board***. A full and accurate description of the substance of the proposed amendments or revisions must be contained in all notices for the meeting at which these revisions will be discussed.

Article VII **General Provisions**

Section 1. Agents and Representatives -- The Board may appoint such agents and representatives of ACT with the powers to perform such acts or duties on behalf of ACT as the Board may see fit, so far as may be consistent with these Bylaws and to the extent authorized or permitted by law.

Section 2. Contracts and Expenditures -- The Board or the Executive Committee, with subsequent approval of the Board, may authorize the Executive Director, any officer, Board Director or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of ACT/MAC, and such authority may be general or confined to a specific instance.

Unless so authorized by the Board or Executive Committee, with subsequent approval of the Board, or by these Bylaws, the Executive Director, nor any officer, Board Director, agent or employee will have any power or authority to bind ACT/MAC by any contract or engagement, or to pledge its credit, or render it liable for any purpose in any amount.

Unless determined to be an urgent or emergency situation, in no event may the Executive Director, any officer, Board Director, agent, employee or representative of ACT/MAC enter into an agreement with any party on behalf of ACT/MAC which involves a proposed ACT/MAC expenditure of a single item or multiple like items exceeding \$10,000.00 during a single year unless approved by the Board with a ***majority (51%) vote of the Directors attending any regular or special meeting*** of the Board, provided there is a quorum present.

In situations an ordinary prudent person would deem an emergency, the Executive Director may procure products or services exceeding \$10,000.00 without prior Board or Executive Committee approval. Upon making such emergency procurement, the Executive Director will notify all Directors via email of the procurement including a detailed explanation of the emergency and necessity, within 24

hours of initiating such procurement. Such emergency procurement must be listed on the agenda of the next Board meeting and presented for ratification by the Board.

Other provisions of this Section notwithstanding, the Executive Director is authorized on behalf of ACT/MAC to enter into specific agreements with or make payments to any party involving the following routine operational expenditures such as: utilities, payroll, reimbursement or payment of fees to the City of Chattanooga, previously approved debt service, insurance and taxes. In no event will Section 2 be read to limit and/or restrict the Executive Director, any officer, Board Director, agent, employee or representative on behalf of ACT/MAC to accept an unconditional donation or gift to ACT/MAC.

Section 3. Fiscal Year -- The fiscal year of ACT will begin on the 1st day of July and end on the last day of June in each year. The Executive Director will prepare an annual report to be presented to the Board upon finalization of this report.

Section 4. Indemnification -- ACT may indemnify and defend the Executive Director, Board Director or officer or former Director or officer of ACT, or any person who may have served at its request as a Director or officer of another corporation to the fullest extent permitted by law.

Section 5. Insurance -- ACT will purchase and maintain liability insurance on behalf of any person who is or was an Executive Director, Board Director, or officer, employee, or agent of ACT, or is or was serving at the request of ACT as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise. This insurance will cover any liability asserted against him or her and incurred by him or her in any such capacity or arising out of his or her status as such, whether or not ACT would have the power to indemnify him or her against liability under the provisions of this Section or under applicable provisions of Tennessee law.

Section 6. Seal -- ACT will not be required to have a corporate seal.

Section 7 -- Executive Director -- The Executive Director of MAC will report directly to the Board. The Board will have authority to hire or fire an Executive Director and set and approve all compensation including salary and benefits for the Executive Director. Such salary and benefits will be subject to approval by the Board each year at the end of ACT's fiscal year after completion of the Executive Director's annual performance evaluation. The Executive Committee will conduct the annual performance review process and submit their recommendations to the Board for approval.

The Executive Director may be removed from this position with or without cause by recommendation of the Executive Committee and a ***2/3 vote of the Directors of the Board.***

Subject to the oversight of the Board, the Executive Director will have full discretion and authority in matters concerning the operation of the McKamey Animal Center and its employees, including but not limited to hiring, firing, promoting and disciplinary actions. Benefits, bonuses, and compensation of

Center employees will be determined by the Executive Director as long as they are budgeted and within the wage and salary ranges and bonus guidelines established for MAC employees.

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