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MISSION STATEMENT

It is our mission to stop the exploitation of pet domesticated rabbits surrendered to animal shelters for the purposes of food, breeding, fur, or training dogs, or being used as live bait for reptiles.

ADOPTION OF BY-LAWS

BYLAWS OF NEW HANOVER COUNTY RABBIT RESCUE OF WILMINGTON, INC.

ARTICLE I - NAME & LOCATION

1. **1. Name.** The name of this corporation, which is a nonprofit corporation organized under the Nonprofit Corporation Act of the State of North Carolina, is New Hanover County Rabbit Rescue of Wilmington, Inc. (hereinafter referred to "Corporation").
2. **2. Location.** The principle office of this Corporation shall be situated in New Hanover County, North Carolina. The Board of Directors may change the location from time to time. The Corporation may also have such other offices from time to time as the Board of Directors determines.
3. **3. Other Offices.** The corporation may also have other places of businesses or offices, within or without its state of incorporation where it is qualified to do business, as its business and activities may require, and as the board of directors may, from time to time designate.

ARTICLE II - PURPOSES

3.1. General Purposes. The Corporation is organized and operated for the following general purposes.

- (a) New Hanover County Rabbit Rescue of Wilmington, Inc. was formed for exclusively charitable, educational, and animal welfare purposes, as specified in Section 501(c)(3) of the Internal Revenue Code, including for such purposes, rabbit rescue of homeless, abandoned, stray, and owner surrendered pet domestic rabbits from citizens, county agents, or transferred from similar organizations.
- (b) To engage and exercise rights of powers, duties, in any lawful activity for which corporations may be organized under Chapter 55A of General Statutes of North Carolina so long as the corporation does not engage in any activity or activities not in furtherance of one or more tax exempt purposes as contemplated in section 501(c)(3) of the Code.
- (c) Within the above stated purposes, the corporation shall have the specific purpose: Rabbit Rescue. Rescuing homeless surrendered or stray pet domesticated rabbits from surrounding shelters. All rabbits will be spayed and neutered prior to being re-homed. They will be placed at local pet stores.

2.2 Specific Purposes. The specific purposes of the Corporation include, without limitation, the following:

The mission New Hanover County Rabbit Rescue of Wilmington, Inc is:

- (a) To educate the public and other organizations concerning responsible rabbit care through publications, animal related conventions, consultations, classes, websites, and social media;
- (b) To educate the public and other organizations by means of bringing attention to the exploits that domestic rabbits face in our society through publications, animal related conventions, consultations, classes, websites, and social media;
- (c) To promote responsible pet ownership by assisting companion rabbit owners with finding information and resources they need;
- (d) To help domestic companion rabbits in local animal shelters, humane societies, and in the community by means of rescuing them from surrounding animal shelters and private citizens, placing them in temporary

- (e) foster homes prior to spaying and neutering them, transporting them to adoption fairs at local pet stores for permanent homes after they have been surgically altered;
- (f) To promote pet adoption and spay/neuter programs. Attempting to work with local Veterinarians to develop and implement a low cost spay and neuter program for the citizens in our area so that they have access to affordable spay and neuter to help prevent unwanted litters;
- (g) To network with rescue groups, shelters, and humane societies to find permanent homes for abandoned rabbits when we cannot take in due to space.
- (h) As needed to provide Veterinary care for rescued, abused or neglected rabbits; to get them healthy prior to their permanent placement, or adoption.

ARTICLE III – MEMBERSHIP

3.1 Membership. The Corporation shall have no members other than the persons elected or appointed as members of the Board of Directors, who shall be considered to be the members of the Corporation for the purposes of any statutory provision or rule of law relating to members of a non-stock nonprofit corporation.

ARTICLE IV – DIRECTORS

4.1 Powers. Subject to any limitations of the Articles of Incorporation, the North Carolina Nonprofit Corporation Act, or these Bylaws, all corporate powers shall be exercised by, or under the authority of, and all business and affairs of the Corporation shall be controlled by the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers:

- (a) To perform any and all duties imposed on them collectively or individually by law, by the articles of incorporation, or by these Bylaws;
- (b) To appoint and remove, employ and discharge, and, except as otherwise provided in these bylaws, prescribe the duties and fix compensation, if any, of all officers, committee chairs, agents, and employees of the corporation;
- (c) To designate the locations for the holding of Board of Directors meeting, to change the principal office of the Corporation for the transaction of its business from one location to another, to adopt, make, and use a corporate seal and to alter the form of such seal from time to time, as in their judgment, they may deem best, provided such seal shall at times comply with the provisions of the law;
- (d) To borrow money and incur indebtedness for the purposes of the Corporation and to cause to be executed and delivered therefore, in the Corporations name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, or other evidences of debt, and securities;
- (e) To manage, in such manner as they may deem best, all funds and property, real and personal, received and acquired by the Corporation, and to distribute, loan, or dispense the same or the income and profits there from;
- (f) To create such trusts, foundations, and subsidiaries, as the Board of Directors shall deem necessary, and to appoint the trustees, directors, or other governing officials of such legal entities;
- (g) To register their addresses with the secretary of the Corporation, such that notices of meetings mailed to them at such address shall be valid notices thereof;

(h) To supervise all officers, agents, and employees of the corporation to assure that their duties are performed properly

4.2 Number of Directors. The number of directors shall be a minimum of three and a maximum of seven, as fixed by the resolution of the Board of Directors. Subject to the foregoing, the number of directors may be determined from time to time by action of the Board of Directors, provided that any action by the Board of Directors to the effect such increase about the maximum or decrease below the minimum shall require the vote of at least two-thirds of all the directors then in office. No decrease in the number of directors shall shorten the term of any director in office.

4.3 Qualifications for Office. Every director must be a U.S. citizen. Each director shall be at least 18 years of age. No person who is holding a public office is eligible to be a director. Directors must support the objectives and mission of the organization. Each director is to be selected for knowledge and skill set to benefit the charitable needs of the organization and community; and shall serve without compensation, either in goods or in kind, except for reasonable expenses incurred for the Corporation. The Board and its Directors are understood to act as fiduciaries with regard to the organization and their duties include and are not limited to; the fiduciary duty of care and the organizational duty of loyalty. Directors appointed by the holder of any office, or an officer, or board of any other organization; are to act in their own right and not as a representative of any interest or other group they may serve.

4.4 Founders Rights. The Founder and the Treasurer named on the Corporation's founding documents; specifically named as such on the **ACTION BY WRITTEN CONSENT OF THE SOLE INCORPORATOR OF NEW HANOVER COUNTY RABBIT RESCUE OF WILMINGTON; INC** dated **September 3, 2015**; has received special rights and privileges. These rights and special privileges are as follows; the Founder and/or Treasurer on the Board of Directors cannot be removed by the Board of Directors unless the Founder and/or Treasurer has been deemed by a court of competent jurisdiction to be mentally or physically incompetent to perform; and in such case a successor named by the Founder and/or Treasurer shall replace their office on the Board of Directors. The Founder and/or Treasurer has a right to name a successor at any point in which they desire to resign from the Board; whether it be when they retire or have been found incompetent to continue to serve on the Board of Directors. The Founder and/or Treasurers' successor will be named at the time of resignation or retirement. The only time that Founder rights will be forfeited is at which time that a Founder and/or Treasurer have been convicted of a felony dealing with fraudulent business activities to the detriment of the Organization. In the event of the Founders death; the Founder appoints; _____ as President of the Corporation. In the event of the Treasurer's death; the Treasurer appoints; _____ as Treasurer of the Corporation. The Founder and/or Treasurer will have a right to change the named successor at any given time and modify the by-laws to do so. Any modifications of the by-laws will be noted in the minutes of the proceedings in its permanent records to reflect any changes that are made.

4.5 Procedures. The vote of a majority of the directors present at a properly called meeting at which a quorum is present shall be the act of the Board of Directors, unless the founder or their appointed successor shall veto the quorum. The founder or their appointed successor shall have the final say on all decisions of the organization and shall have the right to veto any decisions made by the Board of Directors without his or her consent and written approval. A director of the organization who is present at a meeting of the Board of Directors at which action or any corporate matter is taken shall be presumed to have assented to the action taken unless their dissent shall be entered in the minutes of the meeting. The Board shall keep written minutes of its proceedings in its permanent records.

4.6 Election of Directors. The Board of Directors shall choose their members.

4.7 Term of Office. The regular term of office for each director shall be one year, unless sooner terminated by death, incapacity, resignation, or removal. Directors may be elected or appointed to unlimited successive terms. All directors shall hold office until the expiration of the term for which each was elected, until a successor has been duly elected and qualified, or until the director's prior resignation or removal as hereinafter provided.

4.8 Staggering of Terms. The terms of the directors shall be staggered. In order to stagger the terms of the directors; as close as possible to one-half of the directors shall be selected each year. In order to stagger the terms of the initial directors, upon the effective date of these Bylaws or upon the installation of the initial directors, whichever occurs later, the directors shall draw lots to determine which individuals shall serve for an initial term of one or two years.

4.9 Removal or Resignation. Any director may resign from office at any time by giving written notice to an officer of the Corporation. Any non-founding director may be removed for cause by a two-thirds vote of all of the directors then in office.

Cause for removal exists (without limiting other causes for removal) whenever:

- (a) Fails to attend two consecutive regular meetings of the Board of Directors, notwithstanding that he or she otherwise qualifies for office;
- (b) Is convicted of a felony;
- (c) Has committed a material breach of his or her fiduciary duty;
- (d) Ceases to be a member in good standing of the Corporation while in office as a director.

4.10 Existence of Vacancies. A vacancy in the Board of Directors exists in case of the happening of any of the following events;

- (a) The death, incapacity, resignation, or removal of any director.
- (b) The authorized number of directors is increased.

4.11 Filling of Vacancies. Any vacancy occurring on the Board of Directors may be filled by a vote of the majority of the remaining directors. A director so chosen shall serve for the balance of the unexpired term of the vacant office. If the Board of Directors accepts the resignation of a director, tendered to take effect at a future time, the Board may elect a successor to take office when the resignation becomes effective for the balance of the unexpired term of the resigning director. However, that Board has the power to fill or leave unfilled, until the next election, all vacancies occurring on the Board, including those created by an authorized increase in the number of directors.

Article V - MEETINGS OF DIRECTORS

5.1 Special Meetings. Meetings of the Board of Directors shall be held at any place which has been designated from time to time by resolution of the Board or by written consent of all directors. The Board shall hold at least two meetings each calendar year. Special meetings of the board may be called by the chairperson of the board, the president, the vice president, the secretary, by any two directors, or, if different, by the persons specifically authorized under the laws of this state to call special meetings of the board. Such meetings shall be held at the place designated by the person calling the special meeting.

5.2 Annual Meetings. During **September** of each year, the Board of Directors shall hold an annual meeting for the purpose of filling vacancies on the Board and the election of officers. Other business may be transacted at the Annual meeting if proper notice thereof is given. Special meetings of the Board of Directors for any purpose may be called at any time by the President, or if the President is absent, or unable or refused to act, by one third of the directors then in office.

5.3 Notice of Meetings. Unless otherwise provided by the articles of incorporation, these bylaws, or provisions of law, the following provisions shall govern the giving of notice for meetings of the board of directors.

- (a) Regular Meetings.** No notice needs to be given of any regular meeting of the board of directors.
- (b) Special Meetings.** At least one week prior notice shall be given by the secretary of the corporation to each director of each special meeting of the board. Such notice may be oral or written, may be given personally, by first class mail, by telephone, email, or by facsimile machine, and shall state the place, date, and time of the meeting and the matters proposed to be acted upon at the meeting. In the case of facsimile notification, the director to be contacted shall acknowledge personal receipt of the facsimile notification, by a return phone call or message within twenty four hours of the first facsimile transmission.

5.4 Quorum and Voting. A majority of the elected and qualified directors shall be necessary to constitute a quorum for the transaction of business. Every act and/or decision done or made by a majority of the directors present at a meeting duly held, at which a quorum was present, shall be regarded as the act of the Board of Directors, unless a greater number is required by law or by the Articles of Incorporation or by these Bylaws. Each director present shall be entitled to one vote. Voting by proxy shall not be permitted.

5.5 Board Meeting Attendance and Non-Voting Members. Officers, committee chairs, and other individuals that may be selected by the Board to carry out specified duties on behalf of the Corporation from time to time will be expected to attend Board meetings. However, only Board Members are able to vote on issues coming before the Board.

5.6 Abstaining from Voting. Any Board Member having duality of interest or conflict of interest on any matter shall abstain from voting on the matter and shall not be counted in determining a quorum for the vote on the matter. In addition, he or she shall not use his or her personal influence on the matter; Board Members may briefly state his or her position on the matter and may answer pertinent questions from other Board Members if the knowledge may be of great assistance.

ARTICLE IV - OFFICERS

6.1 Number, Qualification, Election, and Term. The officers of the Corporation shall consist of a President, a Vice President, a Secretary, a Treasurer, and such other officers, as the Board may from time to time deem advisable. Any officer may be, but is not required to be, a director of the Corporation. The officers of the Corporation shall be elected by the Board at the regular annual meeting of the Board. Each officer shall hold office until the annual meeting of the Board next succeeding his election, and until his successor shall have been elected and qualified, or until his death, resignation or removal.

6.2 Resignation and Removal. Any officer may resign at any time by giving written notice of such resignation to the President or the Secretary of the Corporation or to a member of the Board. Unless otherwise specified in such written notice, such resignation shall take effect upon receipt thereof by Board member or by such officer, and the acceptance of such resignation shall not be necessary elected by a majority vote of the Board at any time. A Director may be removed from office at any time with or without cause by the organization that appointed the Director. A Director who has three unexcused absences during a term shall be automatically removed from the Board, subject to the Director requesting a reinstatement by letter to the full Board. A vacancy shall be filled as provided in Section 2 of the Article II.

6.3 Vacancies. A vacancy in any office may, at any time, be filled for the unexpired portion of the term; by a majority vote of the Board of Directors. Vacancies on the board of directors shall exist (1) on the death, resignation, or removal of any director, and (2) whenever the number of authorized directors is increased.

- (a) Any director may resign effective upon giving written notice to the chairperson of the board, the president, the secretary, or the board of directors, unless the notice specifies a later time for the effectiveness of such resignation. No director may resign if the corporation would then be left without a duly elected director or directors in charge of its affairs, except upon notice to the Office of the Attorney General or other appropriate agency of this state.
- (b) Directors may be removed from office, with or without cause as permitted by and in accordance with the laws of this state. Unless otherwise prohibited by the articles of incorporation, these bylaws, or provisions of law, vacancies on the board may be filled by approval of the board of directors. If the number of directors then in office is less than a quorum, a vacancy on the board may be filled by a approval of a majority of the directors then in office or by a sole remaining director. A person elected to fill a vacancy on the board shall hold office until the next election of the board of directors or until his or her death, resignation, or removal from office.

6.4 Duties of Officers. Officers of the Corporation shall, unless otherwise provided by the Board, each have such powers and duties as generally pertain to their respective offices as well as such powers and duties as may from time to time be specifically decided by the Board. The President shall be the chief executive officer of the Corporation.

6.5 Compensation. The officers of the Corporation shall be entitled to such compensation as the Board shall from time to time determine. Board Directors shall serve without compensation except that a reasonable fee may be paid to directors for attending regular and special meetings of the board. In addition, they shall be allowed reasonable advancement or reimbursement of expenses incurred in the performance of their duties. Any payment to directors shall be approved in advance in accordance with this corporation's conflict of interest policy, as set forth in Article 15 of these bylaws.

6.6 Delegation of Duties. In the absence or disability of any Officer of the Corporation or for any other reason deemed sufficient by the Board of Directors, the Board may delegate his powers or duties to any other Officer or to any other Director.

6.7 Liability. No officer shall be liable for any debt, obligation, or liability of the corporation.

6.8 Duties of the President. The president shall be the chief executive officer of the corporation and shall, subject to the control of the board of directors, supervise and control the affairs of the corporation and the activities of the officers. Unless another person is specifically appointed as chairperson of the board of directors, the president shall preside at all

meetings of the board of directors and, if this corporation has members, at all meetings of the members, and at all meetings of other committees that the Board of Director deemed necessary. Except as otherwise expressly provided by law, by the article of incorporation, or by these bylaws, he or she shall, in the name of the corporation, execute such deeds, mortgages, bonds, contracts, checks, or other instruments which may from time to time be authorized by the board of directors.

6.9 Duties of the Vice President. In the absence of the president, or in the event of his or her inability or refusal to act, the vice president shall perform all the duties of the president, and when so acting shall have all the powers of, and be subject to all the restrictions on, president. The vice president shall have other powers and perform such other duties as may be prescribed by law, by the articles of incorporation, or by these bylaws, or as may be prescribed by the Board of Directors.

6.10 Duties of the Secretary. The secretary shall;

- (a) Certify and keep at the principal office of the corporation the original, or a copy, of these bylaws as amended; or otherwise altered to date. He or she shall keep the principal office of the corporation or at such other place as the board may determine, a book of minutes of all meetings of the directors, and if applicable, meetings of committees of directors and all members, recording therein the time and place of holding, whether regular or special, how called, how notice thereof was given, the names of those present or represented at the meeting and the proceedings thereof.
- (b) Ensure that the minutes of meetings of the corporation, any written consents approving action taken without a meeting, and any supporting documents pertaining to meetings, minutes, and consents shall be contemporaneously recorded in the corporate records of this corporation. "Contemporaneously" in this context means that the minutes, consents, and supporting documents shall be recorded in the records of this corporation by the later of (i) the next meeting of the board, committee, membership, or other body for which Minutes, consents, or supporting documents are being recorded, (60) days after the date of the meeting or written consent. A copy of all notes of the meetings must be provided to the president, the executive chairperson, no later than fourteen days after the adjournment of any board meeting.
- (c) See that all notices are duly given in accordance with the provisions of the bylaws or as required by law.
- (d) Be custodian of the records and the seal of the corporation and affix the seal, as authorized by law or the provisions of these bylaws, to duly executed documents of the corporation.
- (e) Keep at the principal office of the corporation a membership book containing the name and address of each and any members, and, in the case where any membership has been terminated, he or she shall record such fact in the membership book together with the date on which such membership ceased.
- (f) Exhibit at all reasonable times to any director of the corporation, or to his or her agent or attorney, on request therefore, the bylaws, the membership book, and the minutes of the proceedings of the directors of the corporation.
- (g) In general, perform all duties incident to the office of secretary and such other duties as may be required by law, by the articles of incorporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

6.11 Duties of the Treasurer. The treasurer shall;

- (a) Have charge and custody of, and be responsible for, all funds and securities of the corporation, and deposit all such funds in the name of the corporation in such banks, trust companies, or other depositories as shall be selected by the board of directors.
- (b) Receive, and give receipt for, monies due and payable to the corporation from any source whatsoever.
- (c) Disburse or cause to be disbursed, the funds of the corporation as may be directed by the board of directors, taking proper vouchers for such disbursements.
- (d) Keep and maintain adequate and correct accounts of the corporation's properties and business transactions, including accounts of its assets, liabilities, receipts, disbursements, gains, and losses.
- (e) Exhibit at all reasonable times the books for account and financial records to any director of the corporation, or to his or her agent or attorney, on request therefore.
- (f) Render, to the president and directors, whenever requested, and account of any or all of his or her transactions as treasurer and the financial condition of the corporation.
- (g) Prepare, or cause to be prepared, and certify, or cause to be certified, the financial statements to be included in any required reports.
- (h) In general, perform all duties incident to the office of the treasurer and such other duties as may be required by law, by the articles of incorporation of the corporation, or by these bylaws, or which may be assigned to him or her from time to time by the board of directors.

ARTICLE VII – COMMITTEES

7.1 Committee Formation. The Board of Directors may, by resolution, designate a Executive Committee and one or more other committees. Such committees shall have such functions and may exercise such power of the Board of Directors as can be lawfully delegated, and to the extent provided in the resolution or resolutions creating such committee or committees.

7.2 Executive Committee. The board of directors may, by a majority vote of its members, designate a Executive Committee consisting of two (2) or more board members and may delegate to such committee the powers and authority of the board in the management of the business and affairs of the corporation, to the extent permitted, and, except as may otherwise be provided, by provisions of law.

- (a) By a majority vote of its members, the board may at any time revoke or modify any or all of the executive committee authority so delegated, increase or decrease but not below two (2) the number of the members of the executive committee, and fill vacancies on the executive committee from the members of the board. The executive committees shall keep regular minutes of its proceedings, cause them to be filed with the corporate records, and report the same to the board from time to time as the board may require.

7.3 Other Committees. The corporation shall have such other committees as may from time to time be designated by resolution of the board of directors. These committees may consist of persons who are not also members of the board and shall act in an advisory capacity to the board.

7.4 Meetings and Action of Committees. Meetings of committees may be held without notice at such time and at such place as shall from time to time be determined by the committees. Meetings and action of committees shall be governed by, noticed, held and taken in accordance with the provisions of these bylaws concerning meetings of the board of directors, with such changes in the context of such bylaw provisions as are necessary to substitute the committee and its members for the board of directors and its members, except that the time for regular and special meeting of committees may be fixed by resolution of the board of directors or by the committee. The board of directors may also adopt rules and regulations pertaining to the conduct of meeting of committees to the extent that such rules and regulations are not inconsistent with the provisions of these bylaws.

7.5 Committee Reporting. The committees of the corporation shall keep regular minutes of their proceedings, and report these minutes to the Board of Directors when required. Each Committee Chair will be expected to provide a report of previous activity since the last Board Meeting and future projects at each Board meeting. If the Committee Chair is unable to attend the Board Meeting a written report should be provided to be read at the meeting.

ARTICLE VIII - BOOKS, RECORDS, AND REPORTS

8.1 Annual Reports. The President of the Corporation shall cause to be prepared annual or other reports required by law. Copies of annual reports will be provided to the Board of Directors upon request.

8.2 Permanent Records. The corporation shall keep current and correct records of the accounts, minutes of the meetings and proceedings, and membership records (if any) of the corporation. Such records shall be kept at the registered office or the principal place of business of the corporation. Any such records shall be in written form or in a form capable of being converted into written form.

ARTICLE IX - FISCAL YEAR

9.1 Fiscal Year. The fiscal year of the Corporation shall be the period selected by the Board of Directors as the tax year of the Corporation for federal income tax purposes. This fiscal year of this organization ends December 31st annually.

ARTICLE X - CORPORATE SEAL AND LOGO

10.1 Seal. The Board of Directors may adopt, use and modify a corporate seal. Failure to affix the seal to corporate documents shall not affect the validity of such document.

10.2 Logo use. Use of the Corporation logo or other printed material is expressly prohibited without prior approval of the Board.

ARTICLE XI – AMENDMENTS

11.1 Articles of Incorporation. The Articles of Incorporation may be amended by the Board of Directors unless this corporation has members, in which case they can be amended as provided by law.

11.2 Bylaws. These bylaws may be altered, amended, or repealed and new bylaws may be adopted by the affirmative vote of majority of the entire Board of Directors at any meeting of the board; provided, that the notice of the meeting shall have been given which states that the purpose or one of the purposes of the meeting is to consider a proposed amendment to the bylaws and includes a copy or summary of the proposed amendment or states the general nature of the amendment. Such notice may be waived as provided in these bylaws.

ARTICLE XII – INDEMNIFICATION

12.1 Indemnification. It shall be the policy of the corporation to indemnify to the maximum extent permitted by Chapter 55A of the General Statutes of North Carolina any one or more Directors, officers, employees, agents and former

Directors, officers, employees or agents of the corporation, and persons who serve or have served at the request of the corporation as directors, officers, partners, trustees, employees, or agents of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, against all expenses and liabilities, including, without limitation, counsel fees, judgments, fines, excise taxes, penalties and settlement payments, or other liabilities incurred by them in connection with any pending, threatened or completed action, suit or proceeding, whether civil, criminal, investigative or administrative (a “proceeding”) and against reasonable costs and expenses (including attorneys’ fees) in connection with any proceeding, where such liabilities and litigation expenses were incurred incident to the good faith performance of their duties.

- (a) The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of persons entitled to indemnification hereunder. The right of indemnification under this Article shall be in addition to and not exclusive to all other rights to which any person may be entitled.
- (b) No amendment or repeal of the provisions of the Article which adversely affects the right of an indemnified person under this Article shall apply to such person with respect to those acts or omissions which occurred at any time prior to such amendment or repeal, unless such amendment or repeal was voted by or was made with the written consent of such indemnified person.
- (c) This Article constitutes a contract between the corporation and the indemnified officers, directors, and employees. No amendment or repeal of the provisions of the Article which adversely affects the right of an indemnified officer, director, or employees under this Article shall apply to such officer, director, or employee with respect to those acts or omissions which occurred at any time prior to such amendment or repeal.

12.2 Use of Corporate Funds. The corporation may advance expenses in connection with any proceeding to any such person in accordance with applicable law. The use of funds of the corporation for indemnification or purpose and maintenance of insurance for the benefit of the persons designated in Section 1 of this Article shall be deemed a proper expense of the corporation. The corporation may but is not required to obtain insurance providing for indemnification of directors, officers, and employees.

12.3 Insurance of Corporate Agents. Except as may be otherwise provided under provisions of the law, the Board of Directors may adopt a resolution authorizing the purchase and maintenance of insurance on behalf of any agent of the corporation (including a director, officer, employee, or other agent of the corporation) against liabilities asserted against or incurred by the agent in such capacity or arising out of the agents status as such, whether or not the corporation

would have the power to indemnify the agent against such liability under the articles of incorporation, these bylaws, or provisions of law.

12.4 Non-liability of Directors. The directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

ARTICLE XIII - ASSETS

13.1 Dedication of Assets. The property of the Corporation including but not limited to, finances, land, facilities, supplies, ect. is irrevocably dedicated to charitable purposes and no part of the net income or assets of this foundation shall ever benefit any Officer or Members of the Board thereof or to the benefit of any private individual.

13.2 Distribution of Assets. Upon the dissolution of the Corporation, its assets remaining after payment or provision for payment, of all debts and liabilities of the Corporation shall be distributed to a nonprofit fund or foundation which is organized and operated with a similar mission, the charitable purposes of which its tax exempt status under Section 501(c)(3) of the Internal Revenue Service code of 1954, or corresponding provisions of subsequent federal tax laws.

ARTICLE XIV - EXECUTION OF INSTRUMENTS, DEPOSITS, AND FUNDS

14.1 Execution of Instruments. The board of directors, except as otherwise provided in these bylaws, by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

14.2 Checks and Notes. Except as otherwise specifically determined by resolution of the board of directors, or as otherwise required by law, checks, drafts, promissory notes, orders for the payment of money, and other evidence of indebtedness of the corporation shall be signed by the treasurer and countersigned by the president of the corporation.

14.3 Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

14.4 Gifts. The board of directors may accept on behalf of corporation any contribution, gift, bequest, or devise for the nonprofit purposes of this corporation.

14.5 Loans. No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

ARTICLE XV – CONFLICT OF INTEREST

15.1 Purpose of Conflict of Interest Policy. The purpose of this conflict of interest policy is to protect this tax-exempt corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private

interest of an officer or director of the corporation of any “disqualified person” as defined in Section 4958(f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations and which might result in a possible “excess benefit transaction” as defined in Section 4958(c)(1)(A) of the Internal Revenue Code as amplified by Section 53.4958 of the IRS Regulations. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

15.2 Definitions.

(a) Interested Person. Any director, principal officer, member of a committee with governing board delegated powers; or any other who is a “disqualified person” as defined in Section 4958 (f)(1) of the Internal Revenue Code and as amplified by Section 53.4958-3 of the IRS Regulations, who has a direct or indirect financial interest, as defined below is a interested person.

(b) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in my entity with which the corporation has a transaction or arrangement;
2. A compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement; or
3. A potential ownership or investment interest in or compensation arrangement with, any entity or individual with which the corporation is negotiation a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest under Section 3, paragraph B, a person who has a financial interest may have a conflict of only if the appropriate governing board or committee decides that a conflict of interest exists.

15.3 Conflict of Interest Avoidance Procedures.

(a) Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transactions or arrangement. A Director shall inform the Board of Directors of any direct or indirect conflict of interest which the Director has with regard to any transaction contemplated by the Board of Directors. (a “Conflict of Interest”). A Conflict of Interest shall exist in Board actions including, but not limited to, actions concerning a transaction: (i) in which the Director has a material financial interest, or (ii) in which the Director is presently serving as director, trustee, officer or general partner of another party.

Pursuant to the provisions of Section 55A–8-31 of the General Statutes of North Carolina, the Director may participate in the discussion but may not vote on the transaction and when a Director does not vote because of a Conflict of Interest, the act of the majority of the Directors voting shall be the act of the Board of Directors if a quorum is present at the meeting. A founder that has special rights is not allowed to veto any decision if a conflict of interest is present with the founder that has special privileges. In addition the founder that is found to have a conflict of interest is not allowed to be counted in a vote that has to do with their own conflict of interest.

(b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or

committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

- (c) **Procedures for Addressing the Conflict of Interest.** An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

1. After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
2. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

- (d) **Violations of the Conflicts of Interest Policy.** If the governing board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the member's response and after making the further investigation as warranted by the circumstances; the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest; it shall take appropriate disciplinary and corrective action.

15.4 Records of Board and Board Committee Proceedings. The minutes of meetings of the governing board and all committees with board delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board or committee's decision as to whether a conflict of interest existed.
- (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

15.5 Compensation Approval Policies. A voting member of the board who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly, or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation. When approving compensation for directors, officers, and employees, contractors, or any other compensation contract or arrangement, in addition with complying with the conflict of interest requirements and policies contained in the proceeding and following sections of this article, as well as the preceding

paragraphs, the board or duly constituted compensation committee of the board shall also comply with the following addition requirements and procedures.

- (a)** The terms of compensation shall be approved by the board or compensation committee prior to the first payment of compensation.

- (b)** All members of the board or compensation committee who approve compensation arrangements must not have a conflict of interest with respect to the compensation arrangements as specified by IRS Regulation Section 53.4958-6(c)(iii), which generally requires that each board member or committee member approving a compensation arrangement, between this organization and a “disqualified person” (as defined in Section 4958(f)(1) of the Internal Revenue Code and amplified by Section 53.4958-3 of the IRS Regulations.

 - 1. Is not the person who is the subject of compensation arrangement, or a family member of such person;
 - 2. Is not in an employment relationship subject to the direction or control of the person who is the subject of the compensation arrangement;
 - 3. Does not receive compensation or other payments subject to approval by the person who is the subject of the compensation arrangement.
 - 4. Has no financial interest affected by the compensation arrangement; and
 - 5. Does not approve a transaction providing economic benefits to the person who is the subject of the compensation arrangement, who in turn has approved or who will approve a transaction providing benefits to the board or committee member.

- (c)** The board or compensation committee shall obtain and rely upon appropriate data as to comparability prior to approving the terms of compensation. Appropriate data may include the following:

 - 1. Compensation levels paid by similarity situation organizations, both taxable and tax-exempt, for functionally comparable positions, “Similarly situated” organizations are those of a similar size, purpose and with similar resources.
 - 2. The availability of similar services in the geographic area of this organization.
 - 3. Current compensation surveys compiled by independent firms;
 - 4. Actual written offers from similar institutions competing for services of the person who is the subject of the compensation arrangement.

As allowed by IRS Regulation 4958-6, if this organization has average annual gross receipts (including contributions) for three prior tax years of less than \$1 million, the board or compensation committee will have obtained and relied upon the appropriate data as to comparability if it obtains and relies upon data on compensation paid by three comparable organizations in the same or similar services.

- (d)** The terms of compensation and the basis for approving them shall be recorded in written minutes of the meeting of the board or compensation committee that approved the compensation. Such documentation shall include:

 - 1. The terms of compensation arrangement and the date it was approved.

2. The members of the board or compensation committee that were present during debate on the transaction, those who voted on it, and the votes cast by each board or committee member;
3. The comparability data obtained and relied upon and how the data was obtained;
4. If the board or compensation committee determines that reasonable compensation for a specific position in this organization is higher or lower than the range of comparability data obtained, the board or committee shall record in the minutes of the meeting the basis for its determination;
5. If the board or committees makes adjustments to the comparability data due to geographic area or other specific conditions, these adjustments and the reasons for them shall be recorded in the minutes of the board or committee meeting;
6. Any actions taken with respect to determining if a board or committees member had a conflict of interest with respect to the compensation arrangement, and if so, actions take to make sure the member with the conflict of interest did not affect or participate in the approval of the transaction (for example, a notation in the records that after a finding of a conflict of interest by a member, the member with the conflict of interest was asked to, and did, leave the meeting prior to a discussion of the compensation arrangement and a taking of the votes to approve the arrangement.
7. The minutes of the board or committee meetings at which compensation arrangements are approved and must be prepared before the later of the date of the next board or committee meeting or 60 days after the final actions of the board or committee are taken with respect to the approval of the compensation arrangements. The minutes must be reviewed and approved by the board and committee as reasonable, accurate, and complete within a reasonable period thereafter, normally prior to or at the next board or committee meeting following final action or the arrangement by the board or committee.

15.6 Annual Statements. Each director, principal, officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- (a) Has received a copy of the conflicts of interest policy.
- (b) Has read and understand the policy.
- (c) Has agreed to comply with the policy and
- (d) Understands the corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax exempt purposes.

15.7 Periodic Reviews. To ensure the corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax exempt status, periodic reviews shall be conducted. The periodic reviews shall at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information; and the result of arms-length bargaining.
- (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporations written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

15.8 Use of Outside Experts. When conducting reviews as provided for in Section 7, the corporation may, but need not, use outside advisors. If outside experts are use, their use shall not relive the governing board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE XVI - CONSTRUCTION AND TERMS

16.1 Terms. If there is any conflict between the provisions of these bylaws and the articles of incorporation of this corporation, the provisions of the articles of incorporation shall govern.

Should any of the provisions or portions of these bylaws be held unenforceable or invalid for any reason, the remaining provisions and portions of these bylaws shall be unaffected by such holding.

All references in these bylaws to the articles of incorporation shall be to the articles of incorporation, articles of organization, certificate of incorporation, organizational charter, corporate charter, or other founding document of this corporation filed with an office of this state and sued to establish the legal existence of this corporation.

All references in these bylaws to a section or sections of the Internal Revenue Code shall be such sections of the Internal Revenue Code of 1986 as amended from time to time, or to corresponding provisions of any future federal tax code.

Mission Statement

It is our mission to protect and stop the exploitation of pet domesticated rabbits that are surrendered to animal shelters for the purposes of food, breeding, fur, training dogs, or being used as live bait for reptiles.

ADOPTION OF BYLAWS

We, the undersigned, are the initial directors or incorporators of this corporation, and we consent to, and hereby do, adopt the forgoing bylaws, consisting of **18** preceding pages, as the bylaws of this corporation.

Jennifer Lynn Hoyt DATE
Founder / President

Jason C. Hoyt DATE
Treasurer

Carrie Taylor DATE
Secretary
